The Journal of Social, Political and Economic Studies

Summer, 1993 Vol. 18, No. 2

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The Journal of Social, Political and Economic Studies is published quarterly by the Council for Social and Economic Studies. All correspondence should be addressed to The Editor, 6861 Elm Street, Suite 4H, McLean, Virginia 22101, U.S.A. [Telephone (703) 442-8010: Fax (703) 847-9524]. Formerly known as *The Journal of Social and Political Affairs*, the subscription rate is $70.00 per annum for libraries and institutions, although scholars and private individuals are entitled to a privilege rate of $32.50 per annum. Reduced three years subscriptions are available at a cost of $180.00 for libraries and $90.00 for individuals. The attention of readers is also drawn to the valuable Monograph Series, (ISSN 0895-724X) published in association with the Journal and advertised elsewhere in this issue. Members of the academic community and other qualified individuals are invited to consult the General Editor at the above address concerning articles which may wish to submit for possible publication. ISSN 0193-5941

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The Journal of SOCIAL, POLITICAL AND ECONOMIC STUDIES

Roger Pearson
General Editor

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CONTENTS

Soviet and Post-Soviet Environmental Problems
By Stephen R. Bowers 131

Entrepreneurship in Post-Communist Hungary
By Peter and Sandor Agocs 159

The Subterranean Economy and the Role of Private Investment in Developing Countries
By Kempe Ronald Hope, Sr. 181

From Maastricht to Dublin and Belfast: The Irish Debate European Union
By Alex Greer 197

Immigration and Rising Criminality in the U.S.A.
By John Tanton and Wayne Lutton 217

"Kent State": Revisited
By Dwight J. Murphey 235

Book Review 256

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Soviet and Post-Soviet Environmental Problems

Stephen R. Bowers
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With the collapse of Communist power in the Soviet Union, considerable attention has focused on the lessons produced by the experiment with Marxist socialism in the Russian empire and what we might regard as the legacies of Communism. One of the most highly visible legacies of that system is a pattern of environmental neglect that stretches from the Baltics to the Kamchatka peninsula. As a public issue, ecology only emerged in the final years of communist rule in the USSR, initially as part of Gorbachev's glasnost and, later, as a component of the country's increasingly vocal nationalist movements. A radioactive explosion in Tomsk-7 in April, 1993,[1] served as a reminder that the system which produced Chernobyl had not disappeared but had simply been passed on to the successors of the Communist Party of the Soviet Union, who now faced an ecological nightmare inherited from the old regime. This paper is an examination of the appearance of ecological concerns as a public issue, the often inadequate response of the system to those concerns, what that response revealed about the changing Soviet system, and, finally, the environmental situation which faces the post-Communist leadership of what was the Soviet Union.

The Appearance of Environmental Problems

One of the most frequently asked questions among Western specialists on Soviet affairs during the final years of Communist power in the USSR was whether or not perestroika was an irreversible process. As speculation mounted about the prospects for a crackdown on the separatist and dissident movements which proliferated after the mid-1980s, there was an increase in Western uncertainty about how easily perestroika's consequences might be reversed. Among those who examined specific policy concerns

[1] Radio Free Europe/Radio Liberty Daily Report, April 7, 1993

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which had arisen during the period of perestroika, attention was focused on several policies which were clearly a process of perestroika. One of the most important of these was Moscow's environmental policy, something which was significant not only for what it revealed about systemic change but also because of growing global concern about ecological concerns. This global concern reached the USSR's increasingly skeptical citizens and contributed to the appearance of an active "civil society" which helped undermine the dogmatic foundations of the USSR.

The traditional view of the Soviet policy process was based on the perhaps simplistic assumption that the Communist Party, under the leadership of the Politburo, shaped and guided every aspect of public policy as well as numerous features of private endeavor. In decision-making on economic and industrial concerns, this approach was founded on the Stalinist notion of development in which there was a comprehensive build-up of heavy engineering and weapons enterprises but little or no emphasis on the short-term satisfaction of consumer needs. Enforcement powers, delegated by the Party, were held by a highly centralized bureaucratic apparatus located, for the most part, in Moscow and having little extended, direct contact with those individuals or regions upon which policy had its greatest impact. At this time, the military, which would later be called to account for some of its environmental practices, played a significant part in decision-making and did much to shape the USSR's policies in the development of nuclear energy. In this process there was little place for popular, non-Party activism or for specialist opinion based even superficially on anything other than Marxist-Leninist philosophy as interpreted by the Party leadership.

As part of an effort to understand what happened to the Soviet Union after August 1991, environmental policy is an appropriate one to examine for at least two reasons. First, it was one of the earliest policies to demonstrate the depth of change in Moscow's decision-making process, and therefore enjoyed a longer period of time in which to demonstrate clear accomplishments. Second, the regime's modified approach to ecological concerns was marked by a direct association with the destabilizing tendencies which eventually destroyed the USSR's state structure and, finally, the Soviet Union itself. In short, environmental policy enjoyed the distinction of being significant as an indicator of change, but it was

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not directly burdened by the political volatility characteristic of the USSR's ethnic and separatist movements.

Traditional Environmentalism: Marxist Dogmatism

The traditionalism of Soviet political concerns was matched by an equally traditional view of environmental issues. In the official Soviet view, ecological problems were simply another measure of the crisis of capitalism and further evidence that the sins of capitalism were being visited on the children of that system. Soviet policies, being ideologically grounded, were, by definition, environmentally sound. Environmental waste, abuse, and mismanagement, according to the public statements of the leadership, simply could not exist in the USSR. According to Article 18 of the Soviet Constitution, the Soviet state was committed to the "scientific, rational use of the land" and was pledged "to preserve the purity of air and water, ensure reproduction of natural wealth, and improve the human environment." In Article 67 of the Constitution, one of the duties of Soviet citizens was "to protect nature and conserve its riches."[2] The Soviet Constitution, unfortunately, was more of a programmatic document than a guide to actual practice. It should not, therefore, be surprising that as these provisions were being written into the 1977 constitution, Soviet authorities were beginning a process of tightening up on the release of information about environmental conditions. With the USSR's declining economic fortunes in that decade, there could be little doubt that official priorities rested heavily on the side of production, something which seemed to enjoy an even higher place in the minds of Soviet officials than the oft-quoted maxims of Marxism-Leninism. When environmental concerns finally became a matter of public debate, the Central Committee of the Ukrainian Communist Party, reeling under the impact of the Chernobyl disaster and offering a candid assessment of the system, complained that, in spite of constitutional claims to the contrary, long-term Soviet industrial practice was mandated that only left-over materials and financial resources were allocated for the protection of nature. [3]

By the mid-1970s, Soviet statements about environmental

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[2] *Constitution of the USSR*, Moscow: Novosti Press Agency, 1977, pp. 27-28 and p. 52.

[3] *Pravda Ukrainy, May 22, 1988, pp. 1-3.*

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matters acknowledged the existence of a global ecological crisis, but treated it as primarily a concern and product of capitalism.[4] This view, of course, supported official policy with its emphasis upon doing everything possible to enhance the productive capacity of a declining Soviet industrial apparatus. Although the USSR Council of Ministers passed a resolution on air pollution in 1949, authorities consistently maintained that Soviet practices, being ideologically sound, were equally sound ecologically and there was no real environmental problem in the USSR. Yet, according to a Soviet study smuggled into the West, by the late 1970s, for each unit of goods, the socialist economy produced twice as many pollutants of all sorts, and each Soviet automobile was poisoning its environment almost four times as much as each American car. [5]

The turning point in the Kremlin's treatment of environmental questions was the Chernobyl nuclear accident in April 1986, an incident that highlighted the persistent Soviet tendency to reveal little or nothing about sensitive environmental concerns, even those having an impact far beyond the frontiers of the USSR. Coming shortly after Gorbachev's declaration of glasnost, official treatment of the accident seemed to confirm Western suspicions that Gorbachev's policy of "openness" was meaningless in critical situations. In the face of mounting international pressure, the regime provided considerable information about the causes as well as the consequences and costs of the accident. In the aftermath of these disclosures, public discussion of various environmental issues became not only acceptable but was encouraged as scientists, economists, intellectuals and others joined in an open debate. In 1988, a Soviet radio commentary expressed the new official attitude with an observation that "since ecological problems were hushed up for a long time, we now come face to face with those problems." Glasnost and perestroika, according to the commentary, would help in the search for effective ways to improve the environmental situation. This apparently new spirit prompted the CPSU Central Committee to join the USSR Council of Ministers in calling for a "single state ecological policy" and increased public awareness

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[4] I. Gerasimov and M. Budyko, "Urgent Problems of Man's Interaction With Nature", *Kommunist, No. 10, July, 1974, pp. 79-91.*

[5] Boris Komarov, *The Destruction of Nature in the Soviet Union, London: Pluto Press, Ltd, 1978, p. 30*

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of the significance of environmental concerns. [6]

Official acknowledgment of the Chernobyl incident was followed by seemingly endless accounts about the consequences of what some Soviet scientists have described as the "largest planetary catastrophe suffered at the hands of man." A public that had long been told there was no environmental neglect in the USSR suddenly learned that Soviet industrial practices had produced many ecological nightmares. The Ukraine in particular was the site of numerous environmental crises other than Chernobyl and, according to one study, of the former USSR's fifty most polluted cities, eight were in the Ukraine. Even more important, of fifty-five Ukrainian farms that were observed over a one-year period, thirty-three were found to be suffering from pesticide contamination. [7] Newspaper and other accounts in the popular media informed the public about the basic details of Chernobyl while books such as Zhores Medvedev's *Legacy of Chernobyl* endeavored to look beyond the short-term impact of the reactor's malfunction. A more recent study, published after the collapse of the USSR, attempting to assess the full demographic consequences of Chernobyl, concluded that while almost one million people are threatened with increased radiation risks as a result of participating in the cleanup or living near the nuclear power facility, as many as 18 million people who live in Belarus, Ukraine, and Russia will suffer as a result of the accident. According to the study, these states will feel the effects of Chernobyl not only in the deterioration of public health but also in a negative migration process which will mean a long-term population decline in the affected areas. [8]

Institutional Environmentalism: Structural Adaptation

A fundamental question about Soviet policy during the final years of the Gorbachev era, one that was central to determining if there was a divergence from traditional policy, had to do with when environmental concerns would finally carry sufficient weight

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[6] Radio Moscow World Service, January 18, 1988 and *Pravda, January 17, 1988, pp. 1-2*

[7] David Marples, "The Ecological Situation in the Ukraine", *Report on the USSR, January 19, 1990, pp. 23-24.*

[8] Leonid Leonidovich Rybakovsky, "Demographic Consequences of the Accident at the Chernobyl Nuclear Power Plant", *Sotsiologicheskiye Issledovaniya, No. 9, September, 1992, pp. 40-50*

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to compel authorities to make decisions that entailed significant economic costs. As of the early 1980s, Soviet economists consistently embraced the view that the nation simply could not afford the excessive costs required for environmental protection. [9] However, with the impact of Chernobyl, the regime began to move away from this position and was willing to consider costly decisions in the interest of ecological protection. For the first time, a rigid, dogmatic system seemed willing to adapt to a new situation. Soviet writings began to stress the cost of environmental neglect and emphasized the necessity of exercising greater caution in industrial practice. For example, in 1988, when an oil leak was detected in the Moscow River, authorities denounced the "negligent attitude" that caused the leak and detailed the environmental costs in terms of rubles as well as damage to fish management in the river. [10] Finally, an official tendency emerged in which spokesmen would argue that it was ecological neglect, not environmental protection, that was too expensive.

An important new feature of Soviet environmental policy during this period was the issue of enforcement of legislation. In the past, there had been a comfortable relationship between industries and the administrative agencies responsible for maintaining legal ecological standards. Ecological problems were ignored because production enjoyed the highest priority and environmental standards were loosely enforced. By 1986, authority for enforcement of existing legislation was finally shifting toward police agencies such as the Ministry of Interior (MVD), whose personnel did not share administrative responsibility for meeting production quotas, but simply for maintaining legally mandated environmental requirements. In June 1986, Soviet environmental authorities declared that the monitoring of water resource standards had been unsatisfactory and called upon local Soviets as well as the Ministry of Internal Affairs (MVD) to play a more assertive monitoring role. [11] In an examination of environmental monitoring practices, the Central Committee of the Ukrainian Communist Party supported those findings and denounced Ukrainian efforts as "unprincipled

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[9] Komarov, p. 29

[10] Moscow Radio Domestic Service, January 13, 1988

[11] *Izvestia, June 19, 1986, pp. 1-2*

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and irresponsible." [12] Within a year there were reports of stronger measures to protect special water assets such as Lake Baikal and Lake Ladoga. There were also reprimands and other punishments for officials at the ministerial level who had neglected their enforcement obligations. Announcements of these actions implied that the officials were not simply part of a larger process of replacement of elites but were, in fact, being punished for their environmental failures. [13]

The culmination of these studies was the creation of a new institution for enforcement of environmental legislation. In January 1988, the CPSU Central Committee and the USSR Council of Ministers announced the formation of a new state environmental protection committee with extensive powers that would support its fulfillment of a "long-term national program of environmental protection and rational use of natural resources." The bureaucratic vehicle for this intensified official interest in enforcement of environmental standards was the USSR Union Republic State Committee for Environmental Control or, as it was more widely known, the USSR Goskompriroda. This agency became the central organ of state environmental management and had responsibility for a wide variety of enforcement actions, including the imposition of environmental tests in the development of new technologies and the management of wildlife and hunting preserves. It was also responsible for public education about ecological issues as well as for insuring cooperation with other nations in protecting environmental assets. General guidance on Soviet environmental protection was provided through a public council consisting of scientists, various public figures, representatives of local Soviets, and enterprise directors. Eventually, Goskompriroda's institutional status was elevated to that of a Ministry and the agency was generally referred to as Minpriroda. [14]

Another new aspect of Soviet policy was the environmental legislation itself. Within a year of the Chernobyl incident, discussions of changes in ecological legislation became a routine feature of the Soviet media. In an interview in December 1987, Vladimir

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[12] *Pravda Ukrainy (Kiev), May 22, 1988, pp. 1-3*

[13] *Foreign Broadcast Information Service: Daily Reports-Soviet Union, May 19, 1987, p. R1-3; May 21, 1988, p. R1; and May 28, 1987, p. R3.*

[14] *Pravda, January 17, 1988, pp. 1-2*

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Gubarev, Deputy Justice Minister at the time, indicated that the new USSR Goskompriroda would advance the introduction of a new body of legislation in order to punish ecological offenders and to encourage the correct use of resources. Mechanisms to be employed under the new legislation included the introduction of cost accounting to encourage producers to minimize pollution, a system of heavy fines against violators, the upgrading of purification systems, and a pricing policy that would reward ecologically clean products. The system of fines established an arrangement whereby accumulated funds were to be used for unanticipated environmental work, somewhat like the U.S. Environmental Protection Agency "super fund". [15] As noted earlier, even before implementation of the new legislation, there were clear indications of a new official spirit about dealing with those responsible for environmental neglect. [16] The Ukraine was a national leader in this process and, after taking severe actions against numerous department heads and even a deputy chairman of the Ukrainian Council of Ministers, in 1991 the government, under pressure from environmental advocacy groups, passed legislation that would provide for prison sentences for individuals guilty of negligence in the mishandling of radioactive materials. [17] The enormous costs associated with the mishandling of radioactive waste were dramatically illustrated in 1991 when a town in the Sverdlovsk Oblast had to be permanently evacuated following its designation as a radiation disaster zone. [18] Negligence was also cited as a key factor in the explosion at the nuclear processing plant in Tomsk-7 in April 1993.[19]

As the Ukrainians began their efforts to make the USSR responsive to reality by detailing a program to create a market economy, environmental concerns were reflected in the implementing legislation. Section 8 of the Ukrainian law was devoted to ecological protective measures as well as to steps for the rehabilitation of the republic's environment. The starting point was a declaration of the high "priority of the ecology over other problems of socio-economic development," a radical departure from tradi-

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15 Radio Liberty Research, RL492/87, December 4, 1987, p. 10

16 *FBIS: Daily Reports - Soviet Union, May 19, 1987, pp. R1-3.*

17 *Ibid., February 6, 1991, p. 1*

18 A. Tarasov, "Evacuation 40 Years On", *Izvestia, January 11, 1991, p. 5*

19 Radio Free Europe/Radio Liberty Daily Report, No. 69, April 13, 1993.

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tional Soviet policies. Another feature of the Ukrainian law was that, finally, public opinion was to be taken into account on questions about industrial production methods, thus transforming a populist environmental approach into policy. As the Ukraine's economy evolved in the direction of a market system, the enterprise itself was held responsible for environmental protection and, where ecologically destructive acts were noted, the corporate officials were to pay the costs associated with environmental damage. Such payments were transferred into a non-budget state fund for environmental protection. [20]

The Ukrainian Supreme Soviet, not the local party, was at the forefront in recognizing the inadequacies of environmental protection in the Ukraine. As reports indicated increasingly dangerous levels of radioactivity in 1991, there was a corresponding effort by the republic's government to deal more directly with environmental threats. New legislation was supplemented by efforts of the Kiev branch of Intourist, which began tourist visits to Kopachi, the dead city of Chernobyl, as a way of commemorating the fifth anniversary of the disaster. [21] Ukrainian authorities also noted the detrimental role of the Soviet military in shaping Soviet nuclear development programs. During his visit to Austria in 1991, the Ukrainian Energy Minister, Vitaly Sklyarov, declared that "...if the military had not interfered, nuclear fission and nuclear energy as a technical invention would still be just in the laboratory" instead of threatening the world's environment. [22]

While many praised Gorbachev's glasnost for advancing discussions of the environmental situation, the difficulties faced by environmental reformers were aggravated by many of Gorbachev's economic reforms. Market conditions, for example, as applied in the Soviet setting, often had a negative impact on ecological standards. An evaluation of the work of the Goskompriroda after almost three years indicated that this institution, presumably valued for its independent experts motivated by a concern for environmental protection, was not above the same pressures that inhibited the work of other agencies. Within a short time, Goskompriroda's activities were linked with entrepreneurial interests,

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20 *Pravda Ukrainy (Kiev), November 16, 1990, pp. 1-2*

21 *Izvestia, February 4, 1991, p. 1*

22 *FBIS: Daily Reports - Soviet Union, No. 25, February 6, 1991, p. 96*

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because funds for various nuclear power stations were coming from the same source as Goskompriroda funds. In a dispute over the proposed construction of a nuclear power plant on the banks of the Tsimlyansk Water Reservoir near Rostov, citizens who turned to Goskompriroda for assistance found that the concerns of this agency were coordinated with those of the nuclear power interests. Such an arrangement was, in fact, the intention of Soviet legislation as outlined in the 1990 USSR Council of Ministers resolution "Concerning Urgent Measures to Normalize the Consumer Market, the Circulation of Money, and To Strengthen State Monitoring of Prices." In point 12, this resolution denounced the local practice of interfering with the operations of enterprises that were under Union or central jurisdiction. The "pretext of inadequate ecological safety" was specifically noted as an inadequate reason for limiting operations of Union enterprises such as nuclear power installations. The dominant concern, in the view of central authorities, was to improve Soviet economic output. [23] Failure to subordinate this environmental protection agency to a different institutional interest was an inherent limitation on its independence. This structural oversight (if it was, in fact, an *oversight* rather than a deliberate decision) seriously undermined institutional environmentalism as a way of dealing with the USSR's deteriorating ecology. It seems obvious that what the Soviet "center" was attempting to do in this period was to use ecological concerns as a rationale for keeping the Soviet Union together in the face of growing disunity. Evidently, elements of the Soviet leadership were willing to allow public oversight but only of the environmental effects of local firms, not of all-Union enterprises such as the nuclear power industry. In short, Moscow's authorities wanted to have it both ways: to play an environmental "card" while also maintaining an official emphasis on enhancing production at the expense of ecological concerns.

Populist Environmentalism: Democratic Adaptation

Events of the Gorbachev era signalled important changes

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[23] P. Penezhko, "A "Kept" Expert Commission or Who is Paying the USSR Goskompriroda and For What?", *Trud (Moscow), November 1, 1990, p. 2 and "The Politics of Environmental Protection in the USSR: The Case of the Soviet EPA", United States Information Agency Research Memorandum, September 22, 1989.*

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in how the leadership would attempt to deal with its increasingly important environmental issue. In 1991, a poll conducted by the Russian State Statistical Office indicated that 74% of the respondents viewed their ecological situation as "intolerable" and that 20% would like to move in order to find better environmental conditions. [24] One of the first consequences of such attitudes was the continuation and even intensification of massive protests in the form of demonstrations and petitions relating to policies affecting environmental conditions. It should be noted that, while 1986 and 1987 were the first years of massive environmental protests, the way had been slowly prepared over decades by the student *druzhiny* or conservation brigades and the activities of Vera Briusova and Sergei Zalygin in opposition to authorities' efforts to reverse the directions of Soviet rivers. These activities, however, were on a relatively small scale, while the activism of this period was exemplified by events such as the call by the Latvian Environmental Protection Club in 1988 for a massive show of popular opposition to the construction of a Riga subway system. On April 27, 1988, over 15,000 people joined in a protest against the subway plan, which was denounced as both economically unsound and environmentally unsafe. That such things were happening was, by itself, significant but, even more important, local officials indicated a willingness to act on the basis of popular sentiment. One of the first examples of this tendency was the 1988 announcement of a change in plans for construction of a pharmaceutical plan in Kazakhstan. Environmental concerns were cited as the determining factor in this decision. [25] These and other similar actions were a clear indication of a restructuring of the Soviet system that had touched both the decision-making process as well as decision outcomes.

The wave of environmental protests was significant not only because it indicated a broadening of the spectrum of society that had an involvement in public issues and a pronounced tendency toward non-Party activism, but also because it was a measure of a new official attitude. None of this would have been permissible in

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[24] Moscow Radio Rossii Network, July 1, 1991, cited in *JPRS Report: Environmental Issues, JPRS-TEN-91-015, August 7, 1991, p. 62*

[25] Radio Free Europe Research, Situation Report: Baltic Area, 5/88, May 20, 1988, p. 19

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the USSR of Brezhnev, Andropov, or Chernenko. The fact that the Party and the governmental press routinely reported on the efforts of Soviet environmentalists and acknowledged the size of protests reflected official tolerance of such activities. *Pravda*, in reporting on them, acknowledged both the size and purposes of the numerous demonstrations that had spread throughout the nation. The media noted the first steps of this populist environmentalism in 1986 when hundreds of letters were dispatched to the CPSU Central Committee and to various newspapers in the Baltic republics. This early campaign was motivated by popular concerns about the ecological destruction of the Kurskaya Kosa peninsula on the Baltic coast. The Baltic area protests continued in spite of publication of a study in 1987 which claimed that the region enjoyed high environmental standards and had not suffered from the Chernobyl power plant accident the previous year. [26] Popular skepticism was a core element of this form of environmentalism and helped cultivate citizens' willingness to openly challenge other official assumptions about non-environmental issues.

This broadening of that segment of the Soviet population that was actively involved in the policy process resulted in the formation of a Soviet "Green Front" that rivaled those of Western nations in terms of its diversity and intensity. As expressions of populist environmentalism, "Green" organizations became a routine feature of the Soviet political scene. Five groups emerged as the dominant forces among the Soviet "Greens". The largest of these was the Social-Ecological Union, an "umbrella" group consisting of about 200 branches. The Social-Ecological Union was committed to the proposition that environmental problems could be solved only through political change. A split within this organization led to the creation of the Ecological Union, a group with a more limited agenda, the key feature of which was the demand for stricter monitoring of pollution. A third group, the Ecological Foundation, worked to establish a fund that would be collected through the government's levying of fines against polluters. The Foundation stressed its interest in using this money to develop alternative power sources. Closely associated with the Russian

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[26] *Pravda, April 18, 1988, p. 19 and Ann Sheehy and Sergei Voronitsyn, "Ecological Protests in the USSR, 1986-88", Radio Liberty Research Bulletin, RL 191/88, May 11, 1988, p. 2*

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nationalist movement, a fourth group, the Ecological Society of the Soviet Union, advocated many of the ideas of Valentin Rasputin, who argued that Soviet-style "progress" was degrading what was best in Russian life and began to work actively with the nationalist group Pamyat. Finally, the All-Union Movement of Greens, supported by the CPSU's Komsomol, represented an official effort to harness the energies of the USSR's "Green Front". [27]

In the Ukraine, where ecology had become an important and emotional issue, the ecological association "Zelenyi svit" ("Green World") was one of the most effective organizations in the republic. The head of "Zelenyi svit," Yuri Scherbak, claimed that in its first two years the organization was instrumental in blocking further work on the Danube-Dnieper Canal, on reactors in five and six of the Chernobyl power plant, and on a Crimean chemical combine. In its work, "Zelenyi svit" challenged the official function of the State Committee for the Protection of Nature, arguing that the agency failed adequately to protect the endangered Azov Sea. Because of public concerns over the State Committee's work, a "Public Committee to Preserve the Azov Sea" was founded. The success of "Zelenyi svit" came as a result of growing popular recognition of the Ukraine's disastrous ecological state and in spite of the bitter opposition of the State Committee for the Protection of Nature. The persistence of severe pollution-related illnesses and the expanding after-effects of Chernobyl gave this organization the popular support that transformed it into a respected and authentic force in the Ukrainian policy process. [28]

One important aspect of populist environmentalism in the final years of the USSR was popular readiness to accept decisions which were economically disadvantageous. Several cases demonstrated this new tendency in decision-making. One of the earliest was a demonstration in Kazan by residents calling upon authorities to halt construction of industrial enterprises seen as environmentally harmful. Numerous incidents reflected popular willingness to make economic sacrifices in order to protect not only the environment but also their health, the threat to which was increasingly apparent as a result of environmental neglect. Reports about

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[27] "The Poisoned Giant Wakes Up", *The Economist, November 4, 1989, pp. 23-25*

[28] David Marples, "Ecological Issues Discussed at Founding Congress of 'Zelenyi svit'", *Report on the USSR, Vol. 2, No. 5, February 2, 1990, pp. 21-22.*

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dramatic increases in the incidence of environmentally related diseases heightened public awareness of the full consequences of unchecked industrialization and the development of unsafe energy facilities. The writings of environmentalists such as Valentin Rasputin and the Russian nationalist "village writers" also stimulated popular concerns about this matter. [29]

Official willingness to treat public concerns as a factor in the decision-making process was another component of populist environmentalism. A dispute in Kazakhstan in May 1988, was illustrative of this as, according to the TASS report, public opinion was the decisive factor in the decision by the local executive committee to move a plant site out of the city of Pavlodar to a location sixty kilometers away. Public concern over the environmental impact of the operation of this particular facility within a population center prompted authorities to reverse an earlier decision on the basis of popular sentiment, an unlikely occurrence prior to the appearance of Gorbachev's new policy orientation. A few days later, TASS announced that the selection of Peteris Ziedinsh as chairman of Latvia's environmental protection committee had been determined by the input of popular representatives, scientists, and journalists. According to TASS, this appointment was the first time in the history of Soviet Latvia that a leader of ministerial rank had been chosen by public rather than by Party and governmental bodies. [30] One must also note that the appointment was equally significant because it demonstrated a tendency by regional leaders to take public attitudes into account in the formation of public policy. Even the crucial question of nuclear power was touched by this new tendency and, in response to popular sentiment, in 1991 the Ukrainian government announced that all Ukrainian nuclear facilities would be closed within four years. This announcement was a continuation of a trend seen with the earlier decision to ban the use of toxins for processing cotton and the cancellation of plans to divert the northern and Siberian rivers. [31]

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[29] "The USSR This Week", Radio Liberty Research, RL 186/88, April 29, 1988, p. 2

[30] "The USSR This Week", Radio Liberty Research Bulletin, RL195/88, May 11, 1988, p. 7 RL203/88, p. 15, and *FBIS Daily Report: Soviet Union, No. 25, February 6, 1991, p. 96.*

[31] *Pravda, May 9, 1988, p. 2.*

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The targets of populist environmentalism were not limited to civilian nuclear facilities or even the all-important Soviet cotton industry. The once-sacred military establishment, long protected from scrutiny under the guise of national security, was also subject to popular protests because of its environmental record. In 1989, the "Initsiativa" environmental group took its vociferous campaign against the chemical weapons destruction facility, planned for the heavily populated Chapaevsk region, all the way to Moscow. This project was a key element in a US-Soviet agreement to reduce chemical weapons stockpiles. Eventually, a national commission examined the issue and, citing public unrest generated by the plan, recommended that another site be found. In 1990, popular protests against construction of a ballistic missile early warning station in the western Ukraine prompted the local oblast soviet to join in opposition to this project, in spite of the fact that much of the work had been completed. When the military resisted this order, the oblast stationed police officers on the construction site to prevent further work until Moscow finally order termination of the project. [32] In a similar fashion, for years Kazakhs were concerned about the contamination of their pastures by space debris generated as the spent stages of booster rockets, which were blown up over remote Kazakhstan in order to maintain military secrecy. As populist environmentalism gained acceptance, Kazakh citizens began to demand that the military actually pay for the damages to pasture lands, which were estimated as being in excess of 1.7 million rubles. [33] An additional illustration of problems with the Soviet military was provided in 1991 by the experiences of Russia's Arctic population with units of the Soviet Army. When a military unit established its fuel storage facility just 30 meters away from the sole source of drinking water for the village of Amderma, a leak resulted in damage estimated at 3 million rubles. Local residents, with the support of the Arkhangelsk Environmental Protection Committee, demanded that servicemen collect all of the ice and snow which had been soaked in fuel and remove it to a safe place. [34]

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[32] D. J. Peterson, "Impact of the Environmental Movement on the Soviet Military", *Report on the USSR, March 15, 1991, pp. 5-7.*

[33] V. Ryzhkov, "Payment for 'Rain'", *Pravda, January 30, 1991, p. 8.*

[34] Moscow Domestic Service, February 17, 1991, cited in *JPRS Report: Environmental Issues, JPRS-TEN-91-006, March 21, 1991, p. 52*

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Widespread concern over the excessive secrecy of Soviet military facilities coupled, with the military's poor safety record, resulted in official action in 1991. In January of that year the USSR Ministry of the Defense Industry placed twenty-seven top secret enterprises, which were producing explosives, under civilian control. The final motivating factor in this decision was an incident in Gorlovka in which miners accidently came into contact with a defense plant's chemical waste tank. Apparently, neither the plant nor the miners knew about each other's activities and, as a result, there was yet another tragedy in a long series of military related environmental accidents that had claimed dozens of lives in the USSR. [35]

Populist environmentalism, in spite of its broad support and the official endorsements that it received, generated considerable opposition. In considering the declining state of the Soviet Union's chemical industry, critics of the "Greens" denounced the "senselessness" of many of the demands of environmental groups, arguing that while nature needed to be protected, one "must not forget common sense." Accordingly, critics blamed the "Greens" not only for the USSR's shortage of soap, but also for the shortcomings of the pharmaceutical industry, the protein-vitamin concentrate industry, and the motion picture and photographic film industries. It was not the Soviet government, according to the critics of the "Greens" but rather the "Greens" who were responsible for the declining state of the Soviet economy in the final years of the USSR. [36] Moreover, according to some accounts, in spite of the "Greens" accusations, the chemical industry was doing everything possible to improve its operations and protect its workers. In 1991, *Trud* reported that while the "Greens were attacking the 'killer plants' that pollute the environment and destroy peoples' health,... the 'killers' themselves are the biggest victims of all." [37] At the same time, the USSR Cabinet of Ministers cited a 70% increase in hard currency expenditures for chemical imports as evidence of the detrimental impact of popular protests against the chemical

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[35] V. Reshetnikov, "Are Catastrophes Really Necessary", *Izvestia, January 28, 1991, p. 6*

[36]35. V. Antonov, "Are the Greens Always Right?", *Izvestia*, September 18, 1990, p. 1

[37] "Threat of Chemical Industry Catastrophe", *Trud, February 6, 1991, p. 2.*

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industry. [38] A similar theme was sounded by *Izvestia* in a letter from the General Director of the Chernobyl Nuclear Power Station Production Association, who complained that environmental protesters were "ruled by emotion" and were responsible for losses which would "run into millions." [39]

The populist approach, however, has persisted well into the post-Soviet era. One elequent though perhaps isolated and romantic expression of this tendency surfaced in 1993 as the Russian oil industry continued its expansion into the Siberian wilderness. As "modern civilization," with its promises of money, electricity, telephones, and other material benefits, has closed in on the indigenous peoples of northern Russia, many of them have rejected demands that they give up their nomadic lifestyles and the traditional pastures which have supported them. The sight of telegraph poles, paved roads, and prefabricated huts has inspired some of these people to embrace a "back to the forest" movement which glorifies the traditional values of the region and encourages the pursuit of a life founded on native Siberian customs. Realists, however, point out that these people are a minority and that most Siberians seek the comforts that will come as a by-product of the expansion of the oil industry. [40]

Journalistic Environmentalism: Glasnost in Action

Another feature of the new policy, something which was a direct consequence of glasnost, was increased attention to the bureaucratic confusion so frequently ridiculed by Western journalists but, throughout most of the Soviet experience, rarely cited by Soviet commentators. As an example, one result of the Chernobyl disaster was the focus of a Radio Moscow commentary in December 1990 when reports surfaced that a train consisting of 29 refrigerated cars filled with meat had been traveling around the USSR for four years. The meat, produced shortly after the 1986 nuclear incident by the Gomel and Kalinkovichi meat combines near Chernobyl, had originally been dispatched to Soviet Georgia, where the consignees refused it because of its excessive level of

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[38] "USSR Cabinet of Ministers Session", *Pravda, February 6, 1991, p. 2.*

[39] *Izvestia, August 11, 1990, p. 2.*

[40] Michael Dobbs, "Siberian Native Tribes Losing Traditions to Oil Industry", *The Washington Post, April 11, 1993, pp. A23-24*

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radioactivity. From there it made other stops, only to be rejected at every station and, finally, sent back to where it started. As various bureaucracies in Moscow, the Ukraine and Belorussia debated the question of responsibility for disposal of this 20,000 ton meat shipment, the seals were broken on several of the rail cars and meat which was not only radioactive but had been frozen and re-frozen was being sold in villages near the railroad facilities. In commenting on this situation, a Radio Moscow correspondent observed that "our country is probably the only one in the world where such dire management is possible." [41]

A consideration of the environmental impact of important industries became a hallmark of the Soviet policy process with the advent of glasnost and perestroika. This tendency was clearly demonstrated as early as 1988 when *Pravda* published a long article dealing with the Kondopoga Pulp and Paper Combine on the shores of Lake Onega in Karelia. This seventy year old facility was one of the largest enterprises in the USSR and produced 40% of the nation's newsprint. Yet, according to *Pravda*, it played a destructive role with respect to the environment and its activities poisoned Lake Onega's Kondopoga Bay, once one of the region's richest areas for fishing and an important source of fresh drinking water. The Combine's efforts to reduce damage to the lake were encouraged by worker suggestions and involved an ambitious plan to use activated sludge as an additive for livestock feed. In spite of such endeavors, the Kondopoga Combine continued to pollute Lake Onega. [42]

Official explanations of the persistent environmental problems posed by the Kondopoga Pulp and Paper Combine illustrated another theme being utilized in connection with the USSR's ecological concerns: that the bureaucratic style of many Soviet ministries resulted in poor economic and managerial performance. In order to minimize ecological damage caused by the plant's run-off, a drying shop costing millions of rubles was built in the purification complex in order to prepare sludge for use as an additive for livestock feed. Yet, the USSR Ministry of the Lumber Industry violated the procedures that were required for

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[41] *Foreign Broadcast Information Service: Daily Reports-Soviet Union, No. 242, (Supplement) December 17, 1990, pp. 8-9*

[42] *Pravda, June 16, 1988, p. 2*

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effective operation of the purification works and, as a result, the expensive shop was never operable. The result was not only the waste of valuable resources but the discharge into Lake Onega of ten times as much toxic waste as the plan allowed. In its account of this incident, Pravda denounced the bureaucratic style of the Ministry of the Lumber Industry and repudiated the optimistic assertions of the Deputy Minister at that time, Yuri Guskov, that the lake's environmental situation was coming under control. [43]

In 1991, environmental conditions began to receive even more attention with the publication of a national ecological newspaper. Entitled *Spaseniye* or "*Salvation*", this weekly newspaper was started as a result of a decision by the Soviet legislature and was intended, in part, to bring together the efforts of the forty local ecological publications operating at that time. *Spaseniye* was published by the State Committee for Environmental Protection and had an initial run of 30,000 copies, a rather small figure for a national publication. [44]

The Party's main newspaper also made several contributions to the public discussions about implementation of the new environmental policy. Throughout more than seven decades as a ruling party, during which this party of revolution was transformed into an instrument of order, the CPSU developed a style of leadership based on giving commands. In its treatment of the environmental issue, one could see at least rhetorical indications of a new tendency as the party, generally speaking through *Pravda*, began to speak of a leadership style that stressed appeals based on what might be seen as good conscience or a basic understanding of what constituted correct behavior. In considering the poor administrative record of the Ministry of the Lumber Industry, a *Pravda* article issued an appeal to the Ministry to be more conscientious, reminding its leadership of the "old saying that you get what you pay for."[45] However, as we view this tendency with the benefit of our knowledge of the CPSU's eventual fall from power, it is important to question whether the party's new tendency extended beyond the level of rhetoric. Such rhetorical approaches

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[43] *Ibid.*

[44] Moscow Domestic Service, March 2, 1991, cited in *JPRS Report: Environmental Issues, JPRS-TEN-91-006, March 21, 1991, p. 37*

[45] *Ibid.*

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had a greater utility as part of Gorbachev's long campaign against domestic rivals entrenched within most Soviet bureaucracies than as steps toward implementation of a new policy. It is also important to note that environmental glasnost generated opposition both during and after the Soviet period. Before 1991, critics of glasnost complained about distortions of the USSR's essentially "solid" record on environmental matters, and after the collapse there have been individuals such as the Tomsk oblast administrator who argued that media reports had caused needless panic following the Tomsk-7 nuclear explosion in April 1993. According to the administrator, there were cases of iodine poisoning, especially among children who took unnecessary doses of iodine to prevent radiation sickness. [46]

Soviet Environmentalism and the Policy Process

As a general rule, Soviet domestic and foreign policies were directly related to each other and were mutually supportive. Given the centralized nature of the Soviet decision-making machinery, this compatibility is not surprising. In spite of the gradual emergence of a more vocal public, there was still one constituency - the Party elite - that had a dominant impact on both foreign and domestic policy. Accordingly, innovations in Soviet environmental policy supported Soviet foreign policy objectives in both Eastern Europe and among the Western nations.

For years, Soviet authorities employed what they presented as their "progressive" ecological policy as a means of appealing to visitors from the West. Tourists visiting the Limnological Institute at Lake Baikal, for example, routinely heard presentations about fresh water as a tool for peace and the USSR's progressive ecological practices as a model for the industrialized states. However, in Gorbachev's final years there was a more ambitious effort to utilize environmental themes as a way of rallying non-Communist support for Soviet foreign policies. The lack of success of the World Peace Council in 1986 led to speculation that, as a propaganda theme, peace had lost its utility and should be replaced by an emphasis on protection of the environment. Evidently, Soviet propaganda specialists believed that an environmental theme would enable them to reach a larger audience and

[46] Radio Free Europe/Radio Liberty Daily Report, No. 69, April 13, 1993

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establish useful contacts with large, well-organized non-Communist groups in Western Europe and North America. The strength of environmental movements in the West, at the time, contrasted sharply with the increasing inability of the peace movement to create a sustained, effective political drive against US military programs. By linking itself to this powerful political force, Soviet public diplomacy would become much more effective in generating a favorable image of the USSR while simultaneously stressing its view of capitalism as a negative environmental factor. [47] In pursuit of this theme, the Soviet Union endeavored to assume the role of a world leader on environmental issues. In 1988, the Foreign Affairs Commission of the USSR Supreme Soviet proposed that Moscow be the site of an international conference on the problems of ecological protection and that the conference give consideration to a Soviet plan to end nuclear confrontation in Northern Europe and the Arctic as a way to reduce "the threat to living nature", thus bringing together the issues of peace and ecology in a setting favorable to the Soviet position.[48] Until the final months of the existence of the USSR, Gorbachev, who consistently spoke of the "interests of all humanity" rather than simply of the interests of the working class, stressed the Soviet desire to host such a gathering.

Well before the collapse of the Communist governments in 1989 and 1990, there was a small though vocal environmental movement in Eastern Europe. This movement, part of the region's emerging civil society, often had an impact in certain limited parallel sectors, such as literature in the final years of the German Democratic Republic, but in the Communist period it was, with a few exceptions, not usually a significant and direct factor in the political sphere. (As a notable exception, the Polish Ecology Club successfully petitioned the Polish government to close several industrial plants that were major environmental hazards.) In the aftermath of the Chernobyl incident, there were indications of a growing concern with nuclear power, especially Soviet nuclear power, among citizens of Poland, Czechoslovakia, and Romania. Anxiety over nuclear power, however, merely added another to a long list of popular as well as official grievances against the Soviet

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[47] *Berlingske Aften (Copenhagen), February 5, 1987, p. 3*

[48] *Moscow News, No. 18. May 1, 1988, p. 5*

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Union in this period. The list of grievances of East Europeans included numerous instances of air and water pollution emanating from Soviet territory into Eastern Europe. [49] By expressing greater and more genuine official alarm over its environmental problems, the Soviet leadership enhanced, at least to a degree, its tarnished image in Eastern Europe. As that region ventured into the post-Communist era, such an effort became more important, as the Soviets could no longer rely exclusively upon a network of ruling Communist parties striving to win the official favor of the Kremlin.

There were, however, limits to the political gains that the weakening Soviet leadership could derive from a reduction of the USSR's emphasis on nuclear power. A reduced Soviet nuclear power base would mean greater pressure on non-nuclear domestic energy sources. Such a development seriously hampered Soviet efforts to provide energy assistance to several of its East European neighbors. The case of Romania was especially telling in this regard because, before the 1989 revolution, a deteriorating domestic fuel situation in Romania resulted in agreements for increased amounts of Soviet electricity, coal, and gas to be provided to a struggling Communist regime. A rise in Soviet domestic requirements for those fuels had a direct negative impact on the quantity of Soviet assistance to Bucharest and further weakened a Romanian economy already on the verge of collapse before the revolution.

An additional reason for the limited benefits of the new Soviet policy was found in the increasingly contradictory nature of perestroika and glasnost. While the latter helped stimulate a growing environmental movement, it could not sustain that movement through a period of economic change. A fundamental concern of perestroika was the redirection and re-organization of a faltering Soviet economy. In practice, this effort involved a privatization program which encouraged a new conception of the value of land. A victim of the legislative activity of this period was the USSR's important program of park management, an effort that

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[49] John M. Kramer, "The Environmental Crisis in Eastern Europe", *Slavic Review*, Summer, 1988, pp. 204-206 and Anita Mallinckrodt, "Environmental Dialogue in the GDR", *GDR Monitor*, Winter 1986/87, pp. 1-26 and *RFE Research, RAD background Report/74*. May 27, 1987, pp. 2-4

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supported a consistent, long-term preservation of valuable Soviet park lands such as those around Lake Baikal. As rights to land were transferred to the soviets, the most basic unit of local government, there was a tendency to redraw the boundaries of parks to transfer park land to various commercial associations and enterprises. With land having a more direct monetary value, profit became a new element in the equation of the preservation of numerous natural resources. Consequently, with increasing frequency land-owners and land-users opposed the establishment of new parks, nature preserves, and wildlife sanctuaries and, in fact, struggled to cut the size of existing facilities. The acquisition of greater power by local units of government, a fundamental part of perestroika, encouraged Soviet republics to make claims against the USSR's political center. One vivid example of this tendency was the Turkmenian Republic's attempts to convert nature reserves, including the unique Krasnovodsk (Gasan-kuli) reserve, into pasturage which could be exploited economically. Working outside the legal system, the Soviet mafia was implicated in the physical assault on leaders of the "Greens" as part of its effort to discourage criticisms of new economic practices in which the Soviet underworld had a stake. Thus, the message of Soviet reforms, initially supportive of ecological interests, in the end became detrimental to those needs. [50]

Recognition of these limits was underscored by the consistent efforts of the USSR's "forces of order" to reassert central control in order to prevent the dissolution of the Soviet Union as a state. Both the substance as well as the process of the Soviet decision-making apparatus were affected by the resurgence of orthodox political forces alarmed by the diminution of central authority. The close linkage between many nationalist movements and a local environmental movement was a serious threat to the substance of Soviet environmental policy. This linkage was illustrated by efforts of the Georgian Supreme Soviet in 1991 to deal with the problem of contaminated food being shipped into the republic. Nationalistic forces in the Georgian government denounced the transfer of these foodstuffs, generally originating from the Chernobyl area, as deliberate acts of radiation and chemical

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[50] K. Smirnov, "Do Not Let Baikal Go for a Pittance", *Izvestia, November 4, 1990, p. 3*

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sabotage, and incorporated a Georgian Supreme Soviet commission report on this issue into its secessionist rhetoric. [51] As the independence movements came under increasing pressure, much of it violent as in the Baltics in January, 1991, it became more difficult to voice demands for recognition of the environmental devastation wrought by Moscow's industrial practices. Criticism of central environmental neglect was, by 1991, interpreted as a challenge to central political authority and, as a result, was threatened with official sanctions. Under these circumstances, prevalent in 1991, maintenance of the changes in the Soviet policy process was becoming especially difficult.

Conclusions and the Past, the Present and the Future

Several conclusions are suggested by this examination of the Kremlin's "new thinking" on environmental issues during the final years of Soviet power. The first relates to the policy process itself and demonstrates the extent of changes in the Gorbachev years. The most important assumption about the policy process was that public participation was more and more a fact of life in the area of environmental policy as well as in others, and helped develop the sort of civic consciousness that eventually helped break the CPSU's monopoly on political power. Demonstrations and petitions became an accepted feature of the decision-making process, while public opinion, with increasing frequency, was at least cited as a factor in decisions. Second, there was a marked reduction in the secrecy that had surrounded environmental data since the mid-1970s. Critical reports were routinely published and, with the new atmosphere engendered by glasnost, became the subject of intense public scrutiny and debate. Finally, the policy process was changed by efforts to adopt a new style in decision-making. Concerns about environmental protection were often linked with denunciations of a "bureaucratic style" of administration that was associated with ecologically destructive policies. This same style, one should note, was also associated with many of those elements of the Soviet system which opposed Gorbachev and his policies. Even *Pravda* joined in appealing for a more effective managerial style, raising hopes that the Party itself might adopt a

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[51] *Foreign Broadcast Information Service: Daily Reports - Soviet Union, No. 26, February 7, 1991, p. 85*

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different leadership role, one characterized by a more "inspirational" and less "dictatorial" attitude.

Yet, as the policy process changed, the decision-making environment was also altered. In this respect, one of the most important developments was the proliferation of contradictory demands on the system. Environmental demands, in particular, were often inconsistent; calls for a reduced dependency on nuclear energy had to be balanced by demands for correction of ecological problems produced by excessive utilization of soft coal and other fuels associated with severe pollution. It was extremely difficult, if not impossible, to formulate a single and consistent state ecological policy for such a diverse nation as the USSR. The decision-making environment was further complicated by the fact that ecological concerns were often linked with political demands and ethnic grievances, both of which were more sensitive than environmental issues. It is also important to note that, for nationalist leaders, interest in environmental issues faded to a secondary status once they ceased to provide a "political fig leaf" for nationalist independence struggles, which, by the latter years of the USSR, were conducted quite openly. Not surprisingly, within the context of a national crackdown against nationalist or ethnic demands, there was a reduction of the prospects for a continuation of the ecological glasnost that had become a part of journalistic environmentalism. Had the 1991 coup attempt been successful and the USSR itself endured the disruption of that event, it is likely that environmental disclosures would have become much more constrained.

In addition to the prospect of a reassertion of authority by the USSR's "forces of order", Soviet foreign policy was another important variable that affected progress on environmental issues. The reduction of Soviet military requirements had a positive impact on ecological decision-making in that it lessened the importance of the strategic and security interests which so often were motivating forces in dealing with ecological issues. The practice of detonating spent booster rockets of Kazakh pastures was one illustration of the destruction of nature associated with prevailing military priorities. The establishment of new regime priorities allowed greater consideration of environmental values and, as a consequence, enhanced the USSR's standing in those European nations - both East and West - that were alarmed by Soviet environmental neglect. There was, however, a collateral cost

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associated with such a transformation in Soviet policies, especially as they related to the production of energy sources. A significant reduction in the USSR's nuclear energy capabilities reduced Moscow's ability to cement its relations with various European states by providing energy assistance. Romania, for example, was clearly affected by this reorientation of energy priorities. There was, of course, the corresponding advantage associated with this policy shift: the prospect of propelling the USSR into a position of leadership in the politically powerful global environmental movement.

In view of uncertainty surrounding the Soviet domestic situation in the final years of the USSR and the unwillingness of the KGB, the military, and the more orthodox Communists to accept the dramatic revisions in the Soviet policy process, it is not surprising that many questioned the extent to which the system itself had really changed. Without a doubt, it is reasonable to suggest that Gorbachev, as CPSU leader until the death of the Party, was determined to make a significant departure from past practices. His approach went well beyond the modest, managerial environmentalism of the mid-1980s, including those cautious steps of the first Gorbachev years. This earlier tendency to relieve ecological pressures without altering social or economic structures was replaced by the efforts of Gorbachev and other more radical reformist elements to bring about changes that would profoundly alter public and official consciousness about the state of the Soviet environment. These efforts became a part of the agenda of the USSR's growing democratic movements and, as such, their fate rose with the fortunes of reformers who wanted to change not only environmental policy but, more importantly, the very nature of the Soviet political and social system.

In the end, however, it was obvious that these endeavors often did little toward abatement of the USSR's environmental problems. Consequently, the USSR's successor states now face severe environmental problems at a time when they have few of the resources needed to face those demands. Consider the dimensions of the following problems: Most water resources of the "Soviet region" are polluted, usually as a result of inadequate sewage treatment facilities. In addition, most of the 220 million hectares of arable land currently in use suffers from a mechanical composition that makes it unsuitable for many crops, while over

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80% of the area's grasslands can no longer be used. Meanwhile, public health is showing the effects of this ecological disaster. Throughout the 1980s, there was a 12% increase in the number of terminal cancer cases and, in states such as Kazakhstan and Moldova, both of which have extremely poor drinking water, life expectancies have fallen below the already very low Soviet standard. [52]

One should also note the systemic conditions prevailing in the aftermath of the collapse of the Soviet center. While the Russian Federation adopted an environmental program in 1992, most of the other successor states have made few statements and adopted no policies relating to the treatment of these and other disastrous environmental conditions. What exists is an ad hoc arrangement in which individual nations might or might not conclude agreements with other states to deal with some aspect of the larger regional ecosystem. Estonia, for example, recently concluded an agreement with Finland for the exchange of environmental information, and regional protocols on water quality have been established between some of the Central Asian states. [53] In 1992, most of the CIS members signed an agreement on cooperation in the area of environmental protection, but little has been done to assign a high priority to any of the issues related to environmental protection.

In this new era, environmental concerns hold a relatively low priority because of the region's difficult economic circumstances. First, the area still suffers from the erosion of industrial discipline that was a product of Gorbachev's perestroika. At the same time, the disruption of economic relationships that came with the collapse of the USSR has further aggravated an already troubled economy. Consequently, the enforcement of the few industrial environmental standards which exist within these nations cannot be very rigid. Second, given the failure of perestroika to institute significant industrial changes, most of the new states are still dependent on the extraction of enormous quantities of raw materials for their own inefficient industries and the export of

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[52] Georgi S. Golitsyn, "Ecological Problems in the CIS During the Transitional Period', *RFE/RL Research Report, Vol. 2, No. 2, January, 1993, pp. 33-41*

[53] Alo Kullamaa, "Environment Knows No State Borders", *Paevaleht, January 12, 1993, p. 1*

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natural resources as a way of acquiring the hard currency necessary for survival in the post-Soviet era.

Therefore, we must conclude that this most enduring legacy of the Russian empire's socialist experiment will persist and perhaps assume even larger dimensions well into the post-Communist era. The reforms of the Gorbachev years did little to abate most of the nation's ecological crises and, in fact, made the situation worse in some respects. The current economic crisis, another legacy of socialism, has exacerbated deteriorating environmental conditions and appears likely to inhibit well into the next century any ambitious measures to alleviate the various forms of environmental degradation which plague the former Soviet republics.

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Entrepreneurship in Post-Communist Hungary

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An anti-entrepreneurial climate exists in Hungary, a climate fostered by decades of Communist propaganda and by the activities of the ripoff-artists and con-men who have appeared in inordinate numbers since the fall of the regime. Yet enterprise is a thing whose time has come. Hungary's new entrepreneurs have to fight an uphill battle against bureaucratic red-tape and entrenched state monopolies, but seem to be winning against both. While the private enterprises they own are usually small, the country already has its first millionaires. A collective portrait of them shows that they have unusual social sensitivity. Their wealth grows in leaps and bounds, even as increasing economic differentiation has left over a third of the population living below the poverty line. Fearing social and political explosions, the new super-rich at first supported moderate, centrist forces within the existing political parties, but more recently they have moved to create a political platform of their own: a party of entrepreneurs.

"A Nation of Shopkeepers"

The development of a politically conscious entrepreneurial class with a party of its own was very rapid in Hungary. Shortly after the collapse of the Communist regime and the first free elections in August 1990, the American journalist Celestine Bohlen wrote that Hungary was on the verge of becoming a "nation of shopkeepers." Her prediction turned out to be strikingly accurate. By the end of 1991 there were over 400,000 individual entrepreneurs and 10,000 private firms active in a country of just over ten million people. By July 1992 the total number of enterprises stood at 638,275, with a 19% growth rate reported during the previous three months alone. At first glance, Hungarians' reactions to the transformation from a command economy to a system based on private enterprise present a paradox. The majority hope that the free market will lead to an improvement in their lives. A public opinion survey conducted in October 1991 for the European

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Community indicates that 65% of Hungarians favored the conversion and only one in ten opposed it.[1] At the same time, entrepreneurs often complain of an unfavorable climate. Peter Zwack, who returned from the United States to reclaim the distillery business his family had operated before the Communist takeover, felt that "in the public mind entrepreneurship is something indecent, carried on at the expense of others."[2]

Merchants seem to experience the brunt of these negative attitudes. Janos Kari, the president of the National Association of Small Merchants (the Hungarian acronym is *KISOSZ*) said that the Association's 80,000 members – although their numbers were rapidly increasing – were still thought of as a "necessary evil," and were "barely tolerated" by their fellow-citizens. Very little had changed, he said, from the days of the Communist regime. He pleaded for the acceptance of merchants as "respected citizens, like they are in the developed countries."[3]

80,000 merchants, over half a million entrepreneurs, and an intellectual climate that is anti-entrepreneurial? Upon reflection the situation is less of a paradox. The outlook and values manifest in these anti-entrepreneurial attitudes reflect the intellectual conditioning of the previous four decades of Communist rule. The high hopes for entrepreneurship expressed by the majority of those surveyed are a consequence of the economic bankruptcy of the Communist regime. But in Hungary, as in the other new democracies of Central Europe, contradictory attitudes exist side-by-side, reinforcing one another. Communist indoctrination, which presented the worker as the rock, the foundation of society, enforces the acceptance of the small entrepreneur: the local shoemaker who repairs the heel of your shoe in front of you; the tailor who cuts and sews the cloth into the dress you will wear; the repairman who makes your TV work again. All of these are "workers", who perform indispensable economic functions. What the merchant does is another matter: he does not "produce," he "profits" – a dirty word for almost four decades – "at the expense of others." So does the large-scale entrepreneur who hires people

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[1] *New York Times.*, Jan. 29, 1992; an earlier, somewhat less favorable survey is reported in *Fejer Megyei Hirlap.*, May 24, 1991; for 1992 see *Magyar Hirlap.*, July 22, 1992; Aug. 1, 1992.

[2] *Fejer Megyei Hirlap.*, Nov. 2, 1991; Nov. 7, 1991.

[3] *Magyar Hirlap.*, June 21, 1991; *Reform.*, July 5, 1991.

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and does not pay them full value for their labor, living off the "surplus value" – the hard work of others. Thus the merchants are disliked, and the *nouveau riche* entrepreneur who drives a fancy car and whose villa, built on the same Budapest hill side where the top Communist elite once lived, cost a hundred times a worker's yearly income, is hated. Even more disillusioning than the growing social inequality is the fact that many of the *nouveaux riches* came from the middle levels of the old *nomenklatura*, especially from the segment that provided the economic leadership of the Communist regime. They have the expertise and, more important, the capital to invest in newly privatized enterprises. Thus it is quite possible that in hating the *nouveaux riches* in Hungary one hates the functionaries of the former regime.[4]

The Shady Side of Hungarian Free Enterprise

Just as important in Hungarians' pantheon of villains and profiteers are the ripoff artists and con men who masquerade as entrepreneurs. There are legions of them in a country where regulatory agencies and legal frameworks are often lacking. An American participant-observer remarked that at the Forum Hotel, where the deals are made in Budapest, people "often sell things that are not theirs to others who have no money to buy them." These problems are endemic to all of the ex-Peoples' Democracies. A visiting Polish senator reported that when she described the scams in her country to U.S. congressional aides, "They all said 'Oh yeah, we had all those schemes here in the United States in the twenties and thirties.' They had names for all of them: daisy chains, check kites, Ponzi schemes and pyramid scams [...] They described how it had taken the United States decades to develop the appropriate legislation." As if inspired by the S&L disaster – or was it a scam? – a group of Hungarian and foreign financiers looted, for all practical purposes, the capital of a major Hungarian bank. As the newspapers reported it, they "took advantage of cracks in the rules that the government, which was just learning how to regulate enterprise, left open." How could they pass up a good deal when they saw one? For about $8 million invested –

[4] *Magyar Hirlap*., April 26, 1991.

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mostly in bribes – they gained control of around $120 million.[5]

In Hungary, as elsewhere, people who do not understand the most elemental facts about the capitalist system easily fall prey to swindlers of all kinds. The most common swindle is to advertise for investment into some marvelous, get-rich-quick entrepreneurial scheme, collect the money from contributors, and disappear. Newspapers regularly carry advertisements calling for investment alongside reports on the latest con-jobs. Some of them are "joint enterprises" mounted by Hungarian and foreign crooks: one outfit collected 375 million forints (about $5 million) by promising delivery of Russian cars at very advantageous prices. By the time these international "entrepreneurs" were unmasked as thieves, the money had vanished into secret accounts. The cases that reach the news are only the tip of the iceberg: according to the Budapest police, 150-200 enterprises "disappear without a trace" every year, leaving aggrieved investors behind. And the citizens of the capital are relatively sophisticated in the ways of free enterprise capitalism. There is no limit to what may happen in the countryside as Western – particularly American – pyramid schemes invade the country.

In July 1991, the managing director of AMWAY Hungarian Marketing Limited announced that he had 25,000 investor-agents, and this only six weeks after the company's first appearance in the country! He said that he was expecting the number to increase to 100,000 over the next six months. This would clearly be too much of a good thing. In a country of about 10 million, the AMWAY agents eventually had to expect to be doing a brisk trade with one another. By the fall of 1991, one received generous gifts of AMWAY products from relatives in small towns, who were left with a large stock they were unable to sell. Even more astonishing than the rapid expansion of the AMWAY bubble was the fact that a left-wing daily like *Nepszava*, the traditional organ of the trade unions, could report on AMWAY's doings as a success story, a breakthrough of a kind of "people's capitalism."[6]

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[5] For a review of the Hungarian press's reaction, see *Tallozo*, July 23, 1992; also Lawrence Weschler, "Deficit," in the May 1992 *New Yorker* for the Polish stories; *Magyar Hirlap*, Aug. 19 and Sept. 19, 1992.

[6] *Fehervari Het.*, Dec. 14, 1990; *Magyar Nemzet.*, Apr. 10, 1991 *Naplo.*, May 29, 1991; *Magyar Nemzet.*, June 4, 1991; *Nepszava.*, July 29, 1991; Dec. 27, 1991; *Nepszabadsag.*, Nov 2, 1991; *Uzlet.*, Jan. 31, 1992; *Heti Vilag Gazdasag.*, March 10, 1992.

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Other would-be entrepreneurs were talked into raising worms, of all things. This racket apparently has an international dimension. Lawrence Weschler, in his *New Yorker* article on Poland, writes about a man who tried to put millions of worms to work turning huge piles of dirt into excellent garden soil to be sold for a profit. One hopes that somebody in Poland will look into a Hungarian newspaper and find out how the *gilisztamaffia*, the "worm-scam" worked. It involved the delivery of a dump-truck load of dirt, presumably full of worms, to initiate the process of turning one's backyard into a gold-mine. The charge for this "seeding" was extremely high, and apparently not only individuals but banks were taken in. They lent large sums to people who were willing to mortgage their homes in order to get on the worm bandwagon. By the summer of 1992, the scheme had turned out to be a scam, and the police arrested the organizers. Ten suicides were reported among the thousands of families (possibly as many as 50,000) that were about to lose their homes because of the machinations of the worm-mafia. They demonstrated in front of Parliament and petitioned the President and the Prime Minister for help.[7]

Another line of entrepreneurship, the sex industry, is also widely reported in papers. The theme seems to be a favorite of intrepid male reporters who visit topless bars where the girls might "enterprise" on their own after closing, interview the girls on the street corners, and visit the brothels that are camouflaged as tourist hotels or massage parlours. As expected, our intrepid reporters resist the temptations of the flesh while gathering up sordid tales of "entrepreneurs" parading as "entertainment managers," and about pimps "managing" fourteen year old prostitutes who have been plying their trade for two years after escaping from state-run institutions for homeless children. Typically, in a random collection of twenty-three reports, seventeen were signed by male reporters, three by women – one of these a tongue-in-cheek tale about male prostitutes available to ladies "for the price of a pair of shoes" – and three carried only initials, which disguised the reporters' gender. So this "reportage" seems to be something of a peepshow, as well as a window into a form of entrepreneurial capitalism. Speaking of peep shows, entertainments showing

[7] *Fejer Megyei Hirlap.*, Oct. 25, 1991; *Somogyorszag.*, Feb. 5, 1991; *New Yorker.*, May 1992, pp.59-60; *Magyar Hirlap.*, June 22, 1992.

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couples "in the act" are opening up one after another in villages: peep shows for peasants!

The "oldest profession" might not be entirely new to Hungary, but the way it exploded into a major industry after the collapse of the Communist regime makes it a new experience for Hungarians, who have not grown to love it. Neither have the police, who are handicapped by laws written for another age and social system. Proper definition of what is illegal in the wide-ranging activities of the sex industry is lacking. Antiquated laws limit the police's power of arrest to those "caught in the act," and even then they have to prove that money exchanged hands.[8]

Gambling, another sort of "free enterprise" with which the police are called upon to deal, at least allows greater scope for catching the culprit "red-handed." This is especially true in the case of the "one-armed bandit": the slot machine. For a long time the country lacked a law regulating gambling; the consequence was a veritable "invasion of the machines." In August 1991 there were almost 1500 registered machines, but the police estimated that ten times as many were being operated illegally. They were immensely popular. On one occasion, constables raided a village tavern only to find a ten year old boy – who could hardly reach the lever – feeding in the coins. The money, he confessed, had been given to him by his grandmother for milk. A reborn social science, just freed from the shackles of Marxist ideology, explained that the rush to the "one-armed bandit" is to be expected in times of extremely high inflation and great economic insecurity. When this was reported, Parliament was already working on a law which aimed at regulating the gambling casinos that were springing up like mushrooms after a summer rain. Like similar laws in the West, the Hungarian one was also designed to provide revenue for the state. Forty per cent of their profits go straight into taxes, and a large piece of what remains is taxed in yet more subtle ways. The casino owners have to pay huge sums to gain the right to open

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[8] For a sampling of information about the Hungarian sex industry see: *Magyar Nok Lapja.*, Jan. 19, 1991; *Fehervari Het.*, Feb. 1, 1991; *Kisalfold.*, Jan. 29, 1991; *Riport.*, Feb. 15, 1991; *Nepszabadsag.*, Mar. 25, 1991, Aug. 10, 1991; Aug. 14, 1991; *Esti Hirlap.*, June 15, 1991; *Magyar Hirlap.*, July 29, 1991; *Nepszava.*, Aug. 2, 1991; Aug. 3, 1991; *Delvilag.*, Sept. 14, 1991. About the inadequacy of the legal system, see *Nepszabadsag.*, Sept. 15, 1991; *Mai Nap.*, Jan 16, 1991; *Fehervari Het.*, Feb. 15, 1991; *Reform.*, March 1, 1991; *Nepszava.*, July 2, 1991; *Kurir.*, Aug. 17, 1991.

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their doors and also to keep the gambling machines operating. The hope of turning Hungary into the "Las Vegas of Eastern Europe" is not new. The last Communist government authorized the establishment of a dozen casinos, but it made sinning impossible for Hungarian citizens by allowing the casinos to operate with Western currency only. "Casino-tourism," it was called then, but in 1989, with their newly won freedom, Hungarians, too, received the right to gamble with their milk-money.

One after another, gambling places were organized, going under as quickly as new ones sprang up to replace them. The casino owners' hopes for fast profits to be made on the collective greed and insecurity of the nation proved unfounded. Hungarians just did not have the kind of money that would have made these enterprises profitable after the state took its share. But Hungary is the most favored among the East European countries for Western investors. Gambling seems to attract capital for joint enterprises in spite of failures. It appears that some budding East European entrepreneurs will have to learn that you can have too much of a good thing; it's a problem that occurs in almost every sector of the new "enterprise economy." As for the government – which is, like any government, always hungry for revenue; it hands out one permit after another and collects millions. And the citizens of Hungary shake their heads.[9]

Information about the growing sex and gambling industries is so frequent in the media that there is a shoulder-shrugging weariness about it. But occasionally news items appear in the press that are truly shocking for Hungarians struggling to accept free market capitalism and private property. During the summer of 1991 the press reported the deaths of two children, aged six and thirteen, who were killed by an electric fence installed to protect someone's fruit trees. These senseless deaths, caused by a lethal combination of obsessive concern with private property and imported Western technology, were something new. A year later it was the blast of an old-fashioned hunting gun that killed two adults caught stealing pears from a fruit-orchard.[10] Who knows

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[9] *Fejer Megyei Hirlap.*, Feb. 18, 1991; July 24, 1991; *Nepszava.*, Feb. 23, 1991; *Nepszabadsag.*, June 4, 1991; Aug. 18, 1991; *Delkelet.*, May 30, 1991; *Uzlet.*, June 17, 1992.

[10] *Nepszabadsag.*, July 31, 1991; *Hajdu-Bihari Naplo.*, Aug. 23, 1991; *Pest Megyei Hirlap.*, Sept. 14, 1992; *Magyar Hirlap.*, Sept. 15, 1992; *Hajdu-Bihari Naplo*, Sept. 15, 1991.

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how many more shotgun blasts and electric shocks will have to be administered before all Hungarians learn to distinguish between "mine" and "thine" and to regard private property as an advantage, understand that "good fences make good neighbours", and that entrepreneurship – and its Siamese twin profit – are an unequivocally good thing for them?

Private Enterprise is a Thing Whose Time Has Come

Yet in spite of the adverse publicity and strong intellectual resistance to it, private enterprise seems to be a thing whose time has come in Hungary. The number of private businesses grew by 93% in 1990, and by 50% in 1991. National as well as local statistics tell of a basic transformation of the economy; of the massive decline and break-up of the large-scale state-run enterprises which is paralleled by the growth of small-scale private businesses.[11] Probably the smallest of the "small entrepreneurs" one could see in Budapest during the summer of 1991 was not part of the national statistics, operating without a license. He was a little boy, no more than six years old, who staked out a place in a subway entrance all alone and for a few pennies persuaded his trained parakeet to pick a card out of a large file, telling your fortune. The periodic police sweeps which clear the subway entrances of such budding and unlicensed entrepreneurs eventually removed him, hopefully without breaking his entrepreneurial spirit.

Such unlicensed "small" entrepreneurs are very common. A state license costs a lot of money, and for marginal, self-employed business-people it is just not worth the trouble. All entrepreneurs, small and big, complain about the government's licensing and tax policies. They say that far from being "enterprise friendly," as they claim to be, both municipal and national governments are killing them with taxes and fees. If this sounds like the complaints of businessmen everywhere in the world, Hungarian entrepreneurs are faced by another problem: a degree of bureaucratic red tape that seems to vastly outdo anything experienced in the West. The refrain by entrepreneurs is that the bureaucracy presents difficulties much greater than those posed by any

[11] *Nepszabadsag.*, Aug. 26, 1991; *Magyar Hirlap.*, May 14, 1992; June 10, 1992; *Magyar Nemzet.*, July 5, 1991; *Fejer Megyei Hirlap.*, Sept. 4, 1991; *Tallozo.*, June 4, 1992.

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potential business competitors.[12]

In a striking interview, Sandor Farkas – the millionaire who claimed that he had "invented" the car dealership in Hungary – expressed his suspicion that the government bureaucrats had "learned" how to regulate automobile dealerships through a detailed study of his enterprise, which he had opened a few years before the collapse of the Communist regime, taking advantage, he said, of the "cracks" in the regulatory laws then in force. These laws have been liberalized since, but the clumsiness of the regulatory bureaucracy is still the most striking experience of Western entrepreneurs moving into Hungary. This testifies to the legendary persistence of bureaucracy: institutions created in an economic climate hostile to capitalism managing to survive the changeover to a capitalist economy. They still seem to carry on the work they were originally created for: the control of private enterprise and the prevention of its expansion.[13]

It is true that Hungary, more than any of the other Communist regimes, allowed for the existence of private enterprise; still, the role that enterprise played was to be limited. After he was voted out of office, Karoly Grosz, the last General Secretary of the Party, claimed that by 1987, two years before the collapse of the regime, he was thinking of privatizing thirty to forty percent of the economy.[14] This might have been the case, but after the 1960s – when private enterprises were allowed for the first time in significant numbers – the government's main concern was to control and limit what it considered to be a "necessary evil." Through the 1970s, the sphere of activity permitted to entrepreneurs was largely confined to services, particularly those connected with tourism, such as restaurants.

In the superbly ironic fashion of the time, the Karl Marx University of Economics in Budapest – nicknamed the "*Kozgaz*" – became a hothouse for the theory and practical application of entrepreneurship. But those who absorbed Western entrepreneurial ideas in seminars at the *Kozgaz* did not race out to put them into practice after graduation. Typically they would take up a

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[12] *Fehervari Het.*, Nov. 30, 1990; *Fejer Megyei Hirlap.*, July 22, 1991; Nov. 19, 1991; *Nepszabadsag.*, Apr. 11, 1991; *Nepszava.*, Feb. 11, 1991; July 6, 1991; *Magyar Hirlap.*, March 20, 1992.

[13] *New York Times Magazine.*, Dec. 16, 1990; *Magyar Forum.*, Apr. 4, 1991.

[14] *Uj Hirnok.*, Oct. 21, 1991.

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position with a state-run enterprise, if they did not already have one. After learning the tricks of the trade and established connections as well as gained an intimate knowledge of a particular area of economic activity, they identified a safe niche, as one put it, by "mapping the market." They would then establish private businesses, some of them based on their research and diploma work at the University. These would rarely employ more than two people, often part-time at that. Some of them pursued this part-time capitalism for ten years. As late as March 1992, for an estimated two-thirds of entrepreneurs, this activity was still a second job. A couple of explanations might be offered for the hesitant, tentative nature of this budding capitalism. One might be a lack of capital, another that Hungarian entrepreneurs still haven't become used to the fact that risk-taking is an indispensable component of capitalism.[15]

Struggling against the State Monopolies

Competition, too, is indispensable. And here, Hungarian entrepreneurs sometimes fight an uphill battle against state monopolies supported willy-nilly by an overgrown regulatory bureaucracy. In February 1991, it occurred to someone to offer mail delivery faster and cheaper than the post office in the Western industrial town of Szekesfehervar. This brought a smile to the face of Janos Cser, the head of the local postal service. Before beginning private mail delivery, the entrepreneur had to obtain permits from a law court created to regulate enterprise, from the central government's trade-regulatory agency, and from – who else? – Janos Cser and the post-office.[16]

Those who attempted to organize private telephone services during the same period ran into an even greater masses of red tape. This took the form of a law which ordained that at least 51% of the shares of a private phone company would have to be state property. Forty-nine per cent was to be owned by the state telecommunications authority, and one percent by the municipal

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[15] *Fejer Megyei Hirlap.*, Nov. 6, 1990; Sept. 3, 1991; *Nepszabadsag.*, Aug. 2, 1990; July 15, 1991; *Beszelo.*, Jan. 19, 1991; *Esti Szo.*, July 26, 1991; *Heti Vilag Gazdasag.*, Apr. 4, 1991; *Magyar Nemzet.*, Aug. 2, 1991; *Magyar Hirlap.*, July 19, 1991; Dec. 6, 1991; March 20, 1992.

[16] *Fejer Megyei Hirlap.*, Feb. 8, 1991; *Nepszava.*, Jan. 24, 1991; Feb. 4, 1991; Feb. 9, 1991; *Nepszabadsag.*, May 22, 1991; *Magyar Hirlap.*, Feb. 10, 1992.

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government; a state bank owned by the postal service claimed another one percent – leaving the shareholders with 49% of the shares, and the public bureaucracies with a controlling share of the company. When interviewed, a functionary of the state-run telecommunications company admitted that private investment would improve the abominably poor and outdated phone system, and that the state company was all for it, but he just shrugged: the law was the law.

Another example of the struggle waged by private entrepreneurs against state monopolies was the battle royal that took place in February 1992, in front of a regulatory agency in Budapest, about burials, of all things. A group of former employees of the state company that has buried the 27,000 citizens of Budapest who die every year established a private undertaking firm. Very good, said the state company, but at the gate of the cemeteries the entrepreneurs had to hand over the deceased because the director of the state company insisted on his firm's right to carry out the actual burial. Thus the grieving relatives who had made the mistake of turning to private undertakers ended up paying twice. Someday somebody will write a book entitled "The Hungarian Way of Dying!" Or will it be "The Transition From State Monopoly to Entrepreneurial Capitalism in the Hungarian Funeral Business"?

Municipal and regional bus companies, struggling with obsolete equipment and cut off from the state support they used to receive, are beginning to face competition from private entrepreneurs. This private competition takes over the routes where the vehicles of the public companies sometimes fail to stop because they are behind schedule or overcrowded. Kudos for private enterprise? The public companies point out that they could improve service if they were allowed to close unprofitable routes. But this would leave the smaller, more distant villages with no link to the outside world. So the debate goes on, and huge publicly-owned buses stop in tiny villages to pick up only one or two passengers, taking off in a blue cloud of exhaust fumes. Still, there is hope: already the public transportation company in Budapest has begun to experiment with mini-buses on the less-travelled routes, instead of their ageing fleet of gas-guzzling monsters.[17]

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[17] *Fejer Megyei Hirlap.*, Feb. 8, 1991; *Nepszava.*, Jan. 24, 1991; Feb. 4, 1991; Feb. 9, 1991; *Nepszabadsag.*, May 22, 1991; *Magyar Hirlap.*, Feb. 10, 1992.

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Competitors, a Half a Million Strong

Public, state-owned, and state-supported companies are slow in responding to the competition from private enterprises They will respond, however, when their monopoly position is challenged. But a 1991 survey of small private businesses suggested that their owners felt that their most important competitors were not the state enterprises but other small private firms. This, given the "command position" occupied by public sector companies, is surprising; but it can be explained by the fact that from its beginning during the 1960s private enterprise came into being to cover needs that the command economy neglected; needs which the central planners failed to notice. Providing the head-scarf that the older generation of Hungarian women wear made one lady entrepreneur a millionaire. Others may not become quite as rich, but still make a good living by reviving family traditions, such as bread-baking. Bread has always been an indispensable food item for Hungarians, without which no meal is complete. A Hungarian will go to a Chinese restaurant and demand bread to go with his food! Before the parallel devastations of World War Two and the Communist takeover, Szekesfehervar, then a town of about 30,000, had 44 bakeries, or in the parlance of the time, "baking masters". The four decades of Communist rule appear to have been but a minor interruption in the art of these master craftsmen. Now they are reopening and making home deliveries of fresh bread in the morning, no matter how small the orders. They give untold grief to state-owned "bread factories" which probably, if they were allowed to, would deliver their tons of stale and half-baked bread with dump-trucks.[18]

It is a source of endless mirth for a Westerner to read statements by CEOs of state-owned manufacturing and commercial enterprises who say that they are now carefully studying the market, and want to find out what the consumer wants. Imagine that! Their competitors, now over half a million strong, are a step beyond studying the market: they are providing for needs as basic as good bread and as exotic as burglar alarm systems for apartments and cars. It would be hard to market something more needed now, as crime increased by 48% in 1990, the first full year

[18] *Magyar Hirlap.*, Dec. 6, 1991; *Nepszabadsag.*, Aug. 18, 1991 and Aug. 26, 1991; *Fejer Megyei Hirlap.*, Oct. 1, 1991.

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of the democratic regime, and by 28% in 1991. The growth seems to be easing since 1992, but crimes against property, especially car thefts, are on the rise, and protecting against them remains a lucrative business. So is the selling of antiques and fine art. With inflation and unemployment ravaging the country, people offer family heirlooms and art by Hungarian masters to dealers, who buy cheap and sell dear. Even after their mark-ups, the prices astonish the Western tourists who run off with the *objets d'art*. Then there are the *bala butiks*, which sell imported used clothing by the kilo in large, sealed bundles.

Still more exotic examples of free enterprise can be found. An air force fighter squadron, with the blessing of a cash-strapped Ministry of Defense, – Hungary is rumored to spend more on unemployment compensation than it does on defense! – cleared its runway for transport aircraft flying fresh Hungarian fruit to what used to be the Soviet Union. The newspapers ran a picture of a mammoth Antonov transport being loaded up. In front of it a herd of sheep stood grazing, a perfect pastoral theme. This is yet another form of private enterprise, and a reassuring image for Hungary's neighbors, who are concerned about the war-making potential of her air force. They should start worrying when their intelligence photos show the sheep being chased off the runway of the Kecskemet fighter squadron.[19] In cataloguing new businesses, one cannot omit mentioning a Roman Catholic village priest whose irrepressible entrepreneurial spirit broke to the surface in the form of a stable of sixteen fine thoroughbred race horses. He hopes to make a fortune running them for prizes at the track.[20]

Observing the wave of private huckstering connected with the papal visit of the summer of 1991 (T-shirts with the papal image, *et al*), a Hungarian journalist remembered – tongue in cheek – an entrepreneur on a Moscow street who sold suckers in the form of Lenin's head: getting smaller and smaller until only the stick remains to remind you of Vladimir Ilyich.

The most important asset for Eastern Europeans getting used to the brand new world of enterprise capitalism is a good

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[19] *Medosz Lapja.*, Aug. 31, 1990; *Fejer Megyei Hirlap.*, Feb. 12, 1991; March 9, 1991; Sept. 4, 1991; Oct. 29, 1991; *Nepszabadsag.*, July 21, 1990; June 19, 1991; *Magyar Hirlap.*, Aug. 15, 1992.

[20] *Fejer Megyei Hirlap.*, Feb. 12, 1991; March 9, 1991; Sept. 4, 1991; Oct. 29, 1991; *Nepszabadsag.*, July 21, 1990; June 19, 1991.

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sense of humour. In the fall of 1992 this world was virtually complete in Hungary, with essays by experts in newspapers about the problems of stress and burnout, with almost messianic hopes about the *manadzser* as the saviour of society: forty headhunting enterprises searching for those who seek to become those saviours-to-be. "This is America" declares the CEO of one of the most successful of these "executive search" firms. And a publication called *Uzlet* ("Business") printed a detailed story about a lady who gazes into her crystal ball and claims to be able to tell you if your next business move is going to be a success. But if you want to see her, you must come in the evening because telling your fortune is a part-time job for her. The reader is not told if during the day she works in a state enterprise, but it would be no surprise if this were the case.[21]

Will Private Enterprise Solve the Unemployment Problem?

Hungarians describe many of the new entrepreneurs with words so new to the language that they are not even in the dictionaries. Both *botcsinalta* and *kenyszervallalkozo* refer to somebody who was forced to turn to entrepreneurship. The first word may be translated as a take-off on Moliere's *medecin malgre lui* – an entrepreneur in spite of himself, indicating, as the second does, the coercive pressure of ill fortune. Both words usually refer to people who turn to entrepreneurship because they lost their jobs at state-run firms. Enterprise was touted by the government as a solution to the nation's growing unemployment, another result of the switch to a market economy. An effort has been extended to foster the entrepreneurial spirit among the unemployed by providing loans for new businesses. But the results are not exactly encouraging. With a raging inflation, the interest rates on loans were above 30% in 1991. Beside this, there were handling fees and taxes to be paid. The new businessmen and women had to be entrepreneurial wizards, producing a return of over 50% on their investment just to break even. Unfortunately most of the unemployed came from the ranks of unskilled blue-collar workers. They rarely had the business acumen to manage even the small enterprises that the capital-starved unemployed could start. Business failures were

[21] *Nepszava.*, May 9, 1991; *Nepszabadsag.*, May 11, 1991; June 24, 1991; *Magyar Hirlap.*, June 27, 1991; Dec. 6, 1991; *Uzlet.*, June 13, 1991.

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very frequent, some estimates suggest that 40% of businesses went under during the year 1991.[22]

In 1991, 40% of the private enterprises were located in the capital city, Budapest, which had only about 20% of the country's population and a low unemployment rate compared to poorer regions of the country. In the areas where the switch to the market economy has led to the collapse of whole lines of industry and extremely high unemployment, the ratio of enterprising unemployed drops to 5%. By contrast, in the economically worst-hit regions of Thatcher's Britain, as many as 44% of new businesses were set up by people laid off from their jobs.

Private enterprise, at least for now, does not seem to offer a solution to the problem of unemployment, which by March 1993 afflicted 14% of the labor force and was worsening steadily. Clearly, in order to continue privatization – in 1991 about 24% of the nation's GDP was produced by private enterprises and the government's plan is to increase to 50% by 1994 – Hungary will have to set aside large government funds, similar to those existing in the U.S., for the fostering of small business. But this is easier said than done, given that the country's budget deficit represents nearly one-fifth of the government's total expenditures, and 7-8% of the national GDP.[23]

Nevertheless, the growth of small-scale enterprise has to remain a priority for a democratic Hungary. On it depends whether there will eventually be a middle-class of successful entrepreneurs, numbering into the hundreds of thousands, or whether after privatization wealth will accumulate in the hands of a few thousand families. Recent US and Canadian data add weight to this need. They show that small enterprises carry the lion's share of job-creation, and large firms, even those in the service sector, are reducing not only blue collar but even white collar jobs. A comparison with the countries of the European Community, which Hungary aims to join, also suggests that the proportion of the labor force employed by small enterprises – those employing 1-99 people – is extremely low: 27.5% in 1990, compared to 77.5%

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[22] *Fejer Megyei Hirlap.*, Oct. 22, 1990; May 20, 1991 and Sept. 27, 1991; *Nepszava.*, May 29, 1991 and July 12, 1991; *Nepszabadsag.*, March 29, 1991; May 30, 1991; Aug. 26, 1991; *Magyar Hirlap.*, July 22, 1991; Jan. 24, 1992; June 10, 1992; Aug. 6, 1992.

[23] *Nepszabadsag.*, Aug. 26, 1991; [Toronto] *Globe and Mail.*, July 1, 1992; *Magyar Hirlap.*, July 23, 1992; Sept. 29, 1992.

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in Spain, 73.5% in Italy, and 45.3% in the Federal Republic of Germany. The majority of Hungarians still work in the large industrial and commercial firms of the state sector, and it will be a long time before small business attains the important position it occupies in most Western European countries as an engine of prosperity and job-creation.

More than government support is needed, however, to make small scale private enterprise viable and successful: the mentality of the entrepreneurs themselves has to change. The recurring theme of interviews with Hungarian entrepreneurs and those who observe them is that they tend to try to become rich quick, and that they are inclined to "live it up" rather than accumulate capital and reinvest it in their businesses. Conspicuous consumption, which usually shows itself in fancy cars and sumptuous living, is sometimes carried to an absurdity by the new bourgeoisie. This is illustrated by the joke that in a provincial town the *nouveaux riches* insisted on being buried in the crypt of a centuries-old church at a very high price: a *kriptaburzsoazia*, commented the Hungarian telling the tale.

Whether this "crypto-bourgeoisie" will turn into a real one in Hungary depends on indigenous capital accumulation and the investment of this capital in manufacturing enterprises. Precise data are lacking, but it appears that less than half of the new private companies are involved in manufacturing or building, with the majority of them concentrated in services such as trade, tourism, and recently, information handling. One of the lessons of the last decade in the West is the need for an industrial base in order to maintain a viable service sector. "The notion of a post-industrial economy that is based mainly on services is a dubious one," says SONY chairman Akio Morita.

The Hungarian entrepreneurs' inclination toward *la dolce vita* and their aversion to taking on the greater risks of the manufacturing sector seem to be "supported" by a large part of the population. Recent public opinion surveys show that almost as many disapproved of the privatization of industry as approved of it. Apparently the public's approval of, and hopes connected with, private enterprise do not extend to a view of the factory as a privately-owned business. This is probably due to the fact that, because of their experience with centralized industrial development, Hungarians tend to connect industrial production with

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large-scale firms. This is something very different from the mini-enterprises employing very few, if any, besides the owner and members of his or her family – which is the most common form today. A 1991 survey of small entrepreneurs indicated that 56% of business owners planned to expand their activities, but only 2.6% of these expected to add employees. So private enterprise, focussed primarily on services, will remain small in size.[24]

Hungary's New Millionaires

With indigenous capital lacking, large industries can usually only turn private as "joint enterprises", created with the injection of Western capital. Newly established large-scale manufacturing firms are very few. Many of Hungary's millionaires emerged from the service sector, and even when involved in manufacturing they usually employ technology transfer from the West rather than develop new processes or products. But characteristically, those who dare are richly rewarded. Some of the greatest fortunes have been made by entrepreneurs who combine technological inventiveness with risk-taking. A collective portrait of the country's new millionaire-entrepreneurs shows that they are quite young: the average age of ten of the best-known among them is forty-one, with four of them in their thirties.[25]

Only one of them is a bachelor; the rest are married men. In more than one case their spouses play the role of partner as well as of the traditional home-maker and mother. While they are modern in this sense, they are traditionalists in another way: they emphasize the importance of "ordered family life" as the condition of their success. They show – and share with the small entrepreneurs – distinctly nineteenth century characteristics: they insist on running the business themselves, putting in 12 to 16 hour workdays. They rely heavily on the members of both the nuclear and extended families as a source of labor and managerial talent. Their previous experience in overbureaucratized and inefficient state enterprises – where they all worked once – taught them important lessons about the hazards of overmanagement. Typical-

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[24] *Fejer Megyei Hirlap.*, Feb. 4, 1991; March 3, 1991; Oct. 4, 1991; *Nepszabadsag.*, Aug. 26, 1991; *Reform.*, May 24, 1991; *Magyar Hirlap.*, Dec. 6, 1991; Jan. 7, 1992; March 20, 1992; Aug. 14, 1992; [Toronto] *Globe and Mail.*, Aug. 3, 1992.

[25] The ten are Andras Balazs, Janos Binder, Laszlo Bogo, Gabor Dicso, Janos Palotas, Janos Petrenko, Jozsef Pinter, Laszlo Szalontai, Gabor Szeles, and Peter Vadasz.

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ly, the engineering-manufacturing firm of Jozsef Pinter employs 350 workers in the plant plus 600 doing work contracted out, but has only 20 administrative employees.[26]

The most successful entrepreneurs are highly educated, virtually all with graduate degrees, usually in engineering or business. Another shared characteristic among the ten is a social sensibility that would be unusual among Western business leaders. As if laboring under a sense of guilt and embarrassment about their wealth – a feeling left over from the anti-capitalist rhetoric of the Communist regime – several of the ten are on record expressing concern about the growth of social differentiation, about the rich getting richer and the poor poorer. They are worried that a social explosion will bring on a bloody conflict, the destruction of the new democratic system and the collapse of their wealth which grows by leaps and bounds, just like the unemployment rate.[27]

Entrepreneurs and Politics

There are some among the new millionaire entrepreneurs who care very little for politics. One, who told a reporter he did not know how rich he was, said that he could not keep track, because almost every day he established a new enterprise or bought into one. He chuckled when the topic of politics came up. "While others founded political parties as the Communist regime collapsed, I founded companies, had them quickly legalized, and in a quarter of an hour I doubled my wealth." But such an apolitical attitude is not typical of the ten most famous millionaires. Two of them ran in the first free elections in 1990 and were elected members of Parliament. Both were elected on party tickets, but eventually chose to serve as independents. Janos Petrenko once belonged to the opposition Socialist Party, and the other, Janos Palotas, left the benches of the governing Hungarian Democratic Forum (*MDF*).

So independent is this self-made millionaire that during the summer of 1992 he suggested that the three organizations representing entrepreneurs should unite and form a political party. He explained that his suggestion was not motivated by

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[26] *Magyar Nemzet.*, June 15, 1991; *Nepszabadsag.*, July 8, 1991; Nov. 11, 1991; *Magyar Hirlap.*, June 14, 1991; Dec. 1, 1991; Dec. 6, 1991.

[27] *Nepszava.*, July 6, 1991; *Magyar Hirlap.*, Dec. 6, 1991.

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personal ambition, but came at the insistence of the governing board of the organization that he leads, the National Association of Entrepreneurs (*VOSZ*). His 'volunteers,' of course, confirmed this. When asked what the program of his new Republic Party would be, he refused to be specific but wanted everybody to understand that he was for economic growth and "social security," a term that, in Hungary, refers to all aspects of the welfare state.[28]

Palotas' proposal for uniting the three organizations representing entrepreneurs into a new political party got a quick blast of disapproval from Gabor Szeles, who heads a rival organization, the Hungarian National Association of Manufacturers (*MGYOSZ*). He is a member of the presidency of the *MDF*, and has said more than once that, like Palotas, he is a centrist in politics, "trying to pull the party [the *MDF*] toward the center."[29]

Szeles and others pointed to the failure of a Party of Entrepreneurs that ran in the 1990 elections. It collected only a meager 1.8% of the vote and failed to win even a single seat in Parliament. The party is still around, headed by the scion of an old capitalist family, Peter Zwack, whom we've already mentioned. Zwack is irritated by the attitude of the country's new capitalists, who, he says, "lack courage and are afraid to raise their voices in the defense of their interests."[30]

So far Hungary's most successful businessmen seem to have stayed close to the political center, leaning, in fact, slightly to the left. They have also refrained from the kind of heavy-handed political manipulation shown in Lithuania, where the entrepreneurs' association demanded and achieved the fall of the government.[31]

The Russian equivalent of *MGYOSZ*, which, like Szeles'

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[28] See *Magyar Nemzet.*, Aug 2, 1991; *Magyar Hirlap.*, July 17, 1992; Sept. 3, 1992; Sept. 10, 1992 about Palotas' proposal. Other information about his career: *Heti Vilag Gazdasag.*, Oct. 27, 1990; *Nepszabadsag.*, Nov. 11, 1991; *Magyar Hirlap.*, June 14, 1991; Dec. 6, 1991; *Nepszava.*, March 5, 1992; *Tallozo* "Naplo", Oct. 15, 1992. About *VOSZ* see *Nepszabadsag.*, Aug. 26, 1991.

[29] About Szeles and *MGYOSZ* see *Nepszava.*, July 6, 1991; *Nepszabadsag.*, May 27, 1991; *Fejer Megyei Hirlap* (actually an interview in *Playboy*)., Dec. 14, 1991; *Magyar Hirlap.*, Dec.6, 1991; Aug. 18, 1992; Sept. 4, 1992.

[30] About the Party of Entrepeneurs and Zwack, see *Fejer Megyei Hirlap.*, Nov. 2, 1991; *Magyar Hirlap.*, June 21, 1991; June 29, 1991; Dec. 12, 1991; May 16, 1992; July 14, 1992.

[31] *Magyar Hirlap.*, July 3, 1992; [Toronto] *Globe and Mail.*, July 15, 1992.

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organization includes the managers of state enterprises – excluded from Palotas' *VOSZ* – is becoming an important pressure group these days, forcing President Yeltsin into policy zig-zags. In Hungary this section of the old *nomenklatura*, the Communist leadership in charge of state enterprises, began to act as if they owned the firms they managed before the collapse of the regime.[32]

Now, as privatization moves ahead, many of them become owners of newly privatized enterprises, since they have the money to buy them. Many of these *nomenklatura* entrepreneurs are members of the Hungarian Chamber of the Economy (Hungarian acronym: *MGK*) which was in existence as an organization representing "employers" (i.e., the managers of state enterprises) during the last years of the Communist regime.

If the political weight of the entrepreneurs is thus divided among three representative institutions, Hungarian labor is even more divided, split into seven "major" union groupings. The workers, like the capitalists, don't feel the current government keeps their interests at heart. With social tensions rising, the government sliding lower and lower in the public opinion polls, and the parties that form the government exploding with internal tension, it is easy to predict a political realignment of the country with the 1994 elections. As the center seems to be teetering on the brink of collapse, an advance of both the left and the right is likely. Among the industrial workers, there is talk about founding a "real" labor party – and this parallels Palotas' suggestion of creating a party to represent the entrepreneurs. When he was asked who would vote for the Republic Party that he has proposed, Palotas answered that the entrepreneurs and retired folks would. Whether they will or not is anyone's guess, but the potential support he mentioned could add up to nearly a quarter of the electorate. Palotas is shown in recent public opinion polls as the country's second most popular politician, right next to grandfatherly President Arpad Goncz, who is almost universally liked. As for the workers, whose increasing militancy is causing the employers to unite, they are likely to go to the parties of the left. Will the rise of the left push the country's entrepreneurs into the

[32] See Sandor Agocs, "The Collapse of Communist Ideology in Hungary", *East European Quarterly*, XXVII, No. 2, June 1993.

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arms of the right? Will people like Palotas and Szeles abandon the centrist position they now seem to hold? Only time will tell.

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The Great Sex Divide

Glenn Wilson

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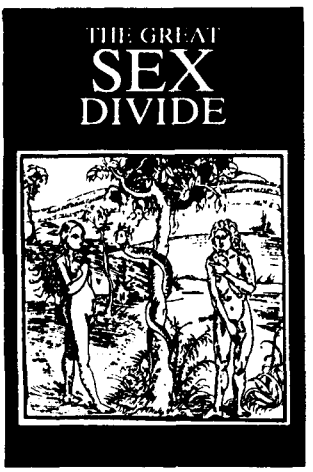
CONTENTS

Sex and Evolution
Evidence from Human Biology
Evidence from Animal and Other Cultures
Can the Differences be Suppressed?
Sexual Anomalies and Difficulties
Talent and Achievement
Aggression and Crime
Social Forces and the Sex War



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ISBN 1-878465-04-X
Paperback, 160 pages
Bibliographical References and Index
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The Subterranean Economy and the Role of Private Investment in Developing Countries

Kempe Ronald Hope, Sr.
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The subterranean economy (sometimes alternatively referred to as the informal, shadow, underground, hidden, secondary, black, invisible, or parallel economy) now constitutes an important component in the economic activities and process of development in the developing countries. Although some governments in developing countries made efforts in the past to minimize its relative importance, the subterranean economy continues to thrive in the developing countries where, generally, foreign exchange constraints interfere with the normal functioning of the organized or formal sector and, therefore, disrupt the availability and flow of goods, services, technology, and human resources in and out of those countries. This paper will concern itself with the general characteristics and nature of the subterranean economy in developing countries, its benefits and offsetting costs and disadvantages, an analysis of suggested policies for incorporating it (the subterranean economy) into broader policy for development, and the implications of such policy responses for the domestic and international investors and financial communities as well as the economic and financial policy makers.

The Nature of the Subterranean Economy in Developing Countries

The subterranean economy is defined here as consisting of those economic units and workers (both professionals and non-professionals) who engage in commercial activities outside of the realm of the formally established mechanisms for the conduct of such activities. Included in such activities for the purposes of this study are barters (exchange of goods and/or services for other goods and or services); the importation of scarce consumer goods;

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the importation of production inputs and spare parts; the sale and exchange of hard currency for local currency at black market rates and vice versa; the sale and exchange of certain controlled goods and resources, such as gold, diamonds, and even arms, for hard currency or other goods and services; and unregistered small-scale productive and service activities.

The activities of the subterranean economy do not show up in official statistics. However, such an economy is now widely recognized to have become relatively important, autonomous, and self-propelling in almost all developing countries and, although its exact quantitative magnitude defies any precise estimation, the subterranean economy, by all accounts, operates so 'openly' and on such a large scale that any development policy will be senseless unless it (the subterranean economy) is incorporated and figured into such policy actions.

Originally, the activities of the subterranean economy were conducted primarily by self-employed workers who had little or no formal education – who became known either as traders, hagglers, hawkers, or hucksters – and who were engaged primarily in the importation of scarce consumer goods which were in heavy demand in the urban areas of the developing countries.

More recently, however, both the activities and the personnel involved have changed considerably. The activities have been expanded and the personnel now include the professional and managerial classes, some of whom are even employed in government service on a full-time basis. As a matter of fact, the activities have now expanded to the point where even the formal sector, in some countries, has to conduct business in the subterranean economy to acquire such things as hard currency, vital medical supplies, basic goods and services, and spare parts.

The evolution of the subterranean economy has taken place because of the failure of the developing countries to formally make the kind of economic progress that would have allowed for, among other benefits, low urban unemployment rates, wages and salaries that kept pace with inflation, the ready availability of basic goods and services, a functioning infrastructure, and a relatively honest and efficient bureaucracy. Economic progress in the developing countries has been elusive for two primary reasons. The first is the legacy of development planning, an approach to economic

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development that concentrated investment decisions in the hands of the State. The second reason is the fact that development thrusts, particularly in Africa and the Caribbean, were based on socialist ideology which was regarded as the automatic alternative to colonialist policies after independence. Many governments in the developing countries somehow regarded socialism and nationalism as one and the same. The resulting consequence of these two bankrupt notions was the crowding out of the once vibrant private sector and the ascendancy of inefficient public enterprises that are unprofitable - and therefore impose a budgetary burden upon governments - and unable to contribute to the financing of the development effort. This in turn has led to debt-ridden economies with the total debt of the developing world now over US $1,000 billion and repayments claiming almost 20 percent of their export revenues, an unsustainable overall public sector deficit, and an obsolete and deteriorating physical structure. All of this has led to a lack of resources to ensure a relatively smooth functioning of the economies of the developing countries and thereby giving rise to the subterranean economy.

The subterranean economy represents, therefore, the populace's spontaneous, yet creative and rational response to the incapacity of their individual nation-State to satisfy their basic needs. In that regard, the citizens of the developing countries have shown more daring, initiative, and dedication to their own individual nation-State than the politicians and their policy advisers who seem unwilling and/or incapable of thinking through and implementing policy representative of the changing economic environment and the attitudes and desires of their population. A self-reliant and survival network has, consequently, emerged to fill the "vacuum" and thereby establishing and entrenching the subterranean economy.

Among the characteristics of the subterranean economy is the increasing rate of participation of women as an entrepreneurial group thereby further increasing the trend toward higher rates of participation of women in the labour force of the developing countries. The labour force participation rate is simply the labour force measured as a percentage of the population. In Latin America, for example, the labour force participation rate for women increased from 12.6 percent in 1960 to 18.9 percent by

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1990 while in Asia it would have increased slightly from 33 percent to 34 percent for the same period. Correspondingly, the labour force participation rate for men would declined during the same period in Latin America from 53 percent to 51.3 percent.

Also of significance here is terms of the characteristics of the subterranean economy is the fact that the activities have shifted outward from the urban sector and have now become more national in scope encompassing almost all areas of economic activity. For example, the failure of the formal sector to continue to provide, maintain, and monitor a proper transportation network in the developing countries has led to the emergence of *ad hoc*, but vital, transport systems which link up poor neighbourhoods with the capital city and other urban areas, usually in the form of music-filled minibuses. In Kenya, these minibuses are called 'matatus', and in Jamaica, they are referred to as the 'reggae express'. In Peru, 91 percent of the vehicles used for mass transit are being operated in the subterranean economy[1] and they are controlled by operators who are succeeding in an area where the State has traditionally failed.

Primary Benefits of the Subterranean Economy

The subterranean economy in developing countries has created a new class of entrepreneurs who have been able to use sheer initiative to function in economies that have been plagued by very serious economic problems. The emergence of the subterranean economy has allowed for the availability of essential goods and services. These essential goods and services, obtained in the subterranean economy, represent, at one instance, the idea that the citizens of the developing countries must be free to choose and have the opportunity to obtain the basic goods and services they desire. In this respect, a thriving retail sector currently exists dominated in part by street vendors. At another level, however, the success of the retailing business in the subterranean economy serves to further demonstrate the inefficiency and policy vacuum that exists in the formal sector. In particular, it represents a major

[1] Hernando do Soto, *The Other Path: The Invisible Revolution in the Third World* (New York: Harper and Row , 1989), p. 93.

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indictment of the public enterprises that are responsible for the production and/or importation of such goods and services and further makes the case for their privatization. Because of their own mechanisms that allow them to obtain foreign exchange, the traders and vendors in the subterranean economy find themselves in the position of having to provide essential items which the formal sector is no longer capable of providing. Of course, the vendors and traders find these activities to be very lucrative, to say the least.

Another major benefit derived through the subterranean economy in the employment it creates. Jobs are created cheaply and large numbers of individuals, who would otherwise be unemployed and a burden to society, are gainfully employed. Recent studies indicate that the share of the subterranean economy generally exceeded 40 percent of total urban employment in developing countries[2]. In Latin America, it is estimated that some 30 percent of the region's urban economically active population are engaged in the subterranean economy[3]. In Peru alone, more than 65 percent of the entire work force are engaged full-time in the subterranean economy.

The creation of jobs in the subterranean economy is a conclusive demonstration that, given a free-enterprise environment, even amid uncontrolled inflation, large numbers of individuals who are able and willing to work would be in a position to do so. What is taking place here are some of the inevitable results of the experience of a free-market situation that encourages risk-taking and enterprise regardless of class.

Yet, another benefit of the subterranean economy is its contribution to gross domestic and national product. The mere fact that the subterranean economy now permeates so much of economic life in the developing countries, then one would expect that the subterranean economy is now contributing an increasing share to national income in the developing countries. However, a precise measurement of this contribution, as an aggregate for

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[2] Subbiah Kannapan, "Urban Labour Markets in Developing Countries", *Finance and Development* 26 (June 1989), p. 46.

[3] Inter-American Development Bank, *Economic and Social Progress in Latin America: 1987 Report* (Washington, D.C.: IDB, 1987), p. 125.

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development countries, is not yet available but there are several studies which have made estimates for individual countries. For example, in Peru it is estimated that the subterranean economy contributes 38.9 percent of GDP[4]; in Bangladesh it is estimated at 33 percent of GDP[5]; in Guyana it is estimated at a range of 7 to 26 percent of GNP[6]; for Kenya it is estimated at 35 percent of GNP[7].

One more benefit of the subterranean economy is that is constitutes an important component in the rural financial markets in many developing countries in Asia, Africa, Latin America, and the Caribbean. It is a dominant source of credit in the rural economy where the institutional lenders are absent or ineffective and, the access to formal credit is extremely poor. The numerous types of money-lenders and credit suppliers in the subterranean economy include friends, relatives, landlords, commission agents, storekeepers, agricultural produce dealers, traders, and employers of agricultural labour. Of course, interest rates for such credit tend to vary with the economic interests and the nature of the relationship between the borrower and lender. For example, storekeepers may provide interest-free loans as an integral part of their business in order to retain or expand their share in retail trading in the market. Estimates of the percentage of total loans in the rural areas accounted for by the subterranean economy, in Sri Lanka, for example, ranged from 57 percent to 79 percent during the period 1978/79-1981/82,[8] while in Zambia for the period 1981/82 it was estimated at 43 percent.[9]

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[4] Hernando de Soto, *The Other Path: The Invisible Revolution in the Third World* (New York: Harper and Row, 1989), p. 12.

[5] Sadrel Reza, "The Black Economy in Bangladesh: Some Preliminary Observations", *Savings and Development* 13, No. 1 (1989), p. 30.

[6] Kempe Ronald Hope, Sr., "The Subterranean Economy in Guyana", *Caribbean Affairs*, Vol. 3, No. 2 (1990), pp. 100-108.

[7] Jeremy Main, "How to Make Poor Countries Rich", *Fortune*, Vol. 119 (January 16, 1989), p. 101.

[8] Nimal A. Fernando, "The Interest Rate Structure and Factors Affecting Interest Rate Determination in the Informal Rural Credit Market in Sri Lanka", *Savings and Development*, Vol. 12, No. 3 (1988), p. 249.

[9] Mojmir Mrak, "Role of the Informal Financial Sector in the Mobilization and Allocation of Household Savings: The Case of Zambia", *Savings and Development*, Vol. 13, No. 1 (1989), p. 68.

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Some Disbenefits of the Subterranean Economy

One obvious disbenefit is derived from the fact that the success of the subterranean economy has reduced the pool of qualified labour force entrants in the formal economic sector. This, in turn, has resulted in high employment vacancy rates in the formal economy. Basically, what the job seekers are seeking is not work as such, but relatively well paid work, as compared to average opportunities. Moreover, the freedom to be self-employed or seek other work in the subterranean economy, where the remuneration is relatively higher, is a rational economic decision. With the thriving of the subterranean economy many employees, or potential employees, assess their wages and salaries not in terms of local purchasing power as dictated by the price index but in terms of the equivalent in hard currency at the blackmarket rate. In such conditions, the equivalent local income that can be derived in the formal sector, seems like a paltry sum. Hence, there are many jobs that remain available in the formal sector.

What has emerged is a new attitude of no longer wanting to be dependent on paralysed governments or other players in the formal sector. It embodies the entrepreneurial energy emanating out of individuals striving in admirable ways to become successful even without support from a formal sector that is currently in disarray.

Another disbenefit emanating from the existence of the subterranean economy is that is provides cover for tax evasion, drug trafficking, and smuggling. However, that state of affairs can only exist where tax administration and law enforcement are inept and/or influenced by corrupt actions. It is perhaps understandable that entrepreneurs in the subterranean economy would attempt to evade all the taxes they can, particularly given the consideration that much of the developing world's economy remains in the formal sector where such tax evasion would be more difficult. However, the problem with such tax evasion is that it reduces the national revenues and therefore reduces the government's ability to expend on national programs by a similar amount. Determination of the amount of evasion is very difficult in any country, and particularly in the developing countries. It is often heard in many developing countries that tax evasion is widespread and has

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reached alarming proportions. However, quantification of such evasion is almost impossible. One study on the evasion of the excise tax on cotton goods in India estimated the evasion rate at 28 percent while another estimated the value-added tax evasion rate for Argentina at 50 percent[10]. Although the forms of evasion vary widely among countries, the major methods used for evading taxes in the subterranean economy include failure to report all sales, underinvoicing, overstating nontaxable sales, and the non-declaration of commissions retained overseas.

With respect to smuggling, beginning from the days of the first customs duties, smuggling in a great variety of forms has been the primary form of escape. There are a number of factors which may encourage smuggling in developing countries. These include (1) vast stretches of almost unguarded borders and very lengthy coastlines which make a complete patrol impossible. In this regard, good examples would be the Bangladesh-Indiaborder, the Ghana-Togo border, and the coastlines of the Caribbean islands; (2) the general desire to evade taxes; (3) a desire to get contraband goods into countries where there is a heavy demand and rich dividend for such goods; and (4) the nearby availability of cheap supplies, particularly on islands that are just off the coastlines.

One disbenefit of the subterranean economy, which can only be corrected through macroeconomic policy, is its contribution to the inflationary spiral in developing countries. Consumer prices have been increasing at an alarming rate in the developing countries partly in response to the various devaluations of their over-valued currencies and partly as a result of demand for goods and services that exceeds the available supply. A demand, it must be pointed out, that has arisen in the subterranean economy due to the economic deterioration in the developing nations and the diminished capacity of the individual governments to provide and maintain the expected levels of services, goods, and physical infrastructure. In the 1980s, in the Western Hemisphere, for

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[10] The estimate for India is derived from, M.G. Rao and G. Pradhan, *Excise Tax Duty Evasion in Cotton Textile Fabrics* (New Delhi: National Institute of Public Finance and Policy, 1984). The estimate for Argentina is derived from Vito Tanzi, "The Underground Economy: The Causes and Consequences of the Worldwide Phenomenon", *Finance and Development*, Vol. 10 (December 1983), pp. 10-13.

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example, the annual rise in consumer prices exceeded 50 percent with some countries, such as Peru, Brazil, and Argentina exceeding 100 percent. For all developing countries, the weighted average inflation rate reached 40 percent in 1987 compared to 18 percent during 1970-79, while for the industrial countries for the same period the inflation rate declined to 2.9 percent compared to 8.1 percent during the period 1970-79.

Policy Responses

The subterranean economy in developing countries has emerged to the point where it is directly responsible for the improvement in the standard of living of large numbers of people and, despite some of its shortcomings, contributes significantly to the bettering of life in general in the developing countries. Given this generally positive contribution, then the subterranean economy must be regarded and treated as part of the solution to the current economic problems of the developing countries.

The subterranean economy has exhibited a vibrancy and a resilience that must be enhanced. It must become a matter of national economic policy to encourage the subterranean economy so that its contribution to the national economy can be even further improved. The remaining barriers to the functioning of the subterranean economy must be eliminated. However, this has to be accomplished within a framework that allows for the conduct of business and other activities in a legal manner and thereby minimize, or eliminate altogether, the possibility that the subterranean economy ends up with the reputation as a haven for drug traffickers, smugglers, and tax evaders.

Among the barriers to the proper functioning of the subterranean economy is inadequate access to credit. This, therefore means that access to credit must be equalized. It has been found that loans to small-scale borrowers are not necessarily more risky. In fact, there is no inverse correlation between the size of a loan and the degree of risk, and the proportion of bad and doubtful debts is not higher among small bank customers[11]. The

[11] Kempe Ronald Hope, Sr., *Development Finance and the Development Process* (London and Westport: Greenwood Press, 1987), pp. 71-72.

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ability to borrow money to legitimately engage in business activity must therefore be facilitated by the banks and other credit granting agencies. Creating a more flexible set of rules and regulations under which credit can be granted would be a necessary first step in that direction. Providing access to credit further encourages private investment. Given the dismal performance of public enterprises in the developing countries, then such private sector initiatives must be soundly supported. Without a viable private sector, developing country governments would not be able to stimulate or sustain economic growth and their economies would remain in crisis, *ad infinitum*, and thereby contribute to all sorts of other negative externalities. In this regard, it is worth repeating here that the public enterprises in the developing countries should be privatized and further private sector initiatives need to be put in place not only to benefit from the subterranean economy but to encourage additional domestic and foreign private investment, in general.

Privatization is defined as the transfer of ownership and control from the public to the private sector, with particular reference to asset sales. It is therefore equated with total or partial denationalization. The growing appeal for privatization in the developing countries is derived from the economic case for such privatization. That economic case is made by the fact: that public ownership is much more extensive than can be justified and sustained in terms of the development role of public enterprises in developing countries; of the poor economic performance of the public enterprises when compared to private enterprises; and the built-in characteristics of public ownership, such as political interference and bureaucratic failure, that give rise to economic inefficiency[12]. Undoubtedly, some of the worst excesses of public ownership would be diminished by a shift to private ownership. Simply taking public enterprise decision-making out of the political arena and withdrawing government financial backing will eliminate much of the inefficiency. However, if such a change involves the mere transfer of a public monopoly to the private sector with its

[12] Richard Hemming and Ali M. Mansoor, *Privatization and Public Enterprises* (Washington, D.C.: IMF, Occasional Paper 56, January 1988), pp. 1-3.

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monopoly power left intact and no change in the regulatory regime, such gains will be limited.

Another consideration here ought to be the further simplification and decentralization of the governmental bureaucracy and, ultimately, deregulating, or depoliticizing, national productive life in the developing countries. Decentralization promotes participation, access, and responsiveness. Through decentralization, new national standards can be emphasized to deal with problems which are now national in scope. By deregulation is meant increasing the responsibilities and opportunities of private individuals and reducing those of the State. Deregulation involves depoliticizing the economy in order to protect the economic sphere. The economic sphere in the developing countries needs to be freed from the grip of parasitic public enterprises and the arbitrary influence of political decision-making and ideological turf battles which do nothing but retard development. In order to produce wealth it is necessary that the State's actions not obstruct the actions of those who are serious about investing, in any magnitude, in the developing countries. The governments of the developing countries must further adjust to the idea that they must limit themselves to functioning only in those necessary areas in which private industry cannot and/or will not function. All of the remaining vestiges of the paralyzing Central Government control and State planning must be terminated. In other words, a decision must be made by the politicians to withdraw themselves and the administrative machinery from detailed intervention in their respective economies and concentrate their attention on the kinds of policy-making, some of which are advocated here, that historical and contemporary experience have shown to be vital to economic success. The record of development and the growing store of empirical research have heightened recognition of the importance of markets and incentives - and of the limits of government intervention and central planning.

Implications of the Policy Responses for the Financial Community

The policy responses incorporating the subterranean economy that have been advocated in this work have direct implications for both the domestic and international financial

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community and investors. More specifically, without the input of the domestic and international financial community, and investors, the policy responses advocated here will not be successful. In that regard, the International Monetary Fund (IMF), the World Bank and other development agencies must continue to move forward in their advocacy of privatization and private sector initiatives as conditions for their adjustment programs and loans to the developing countries. Concomitant with such advocacy would be the realization of the significant role that foreign investment would also have to play.

Rarely in history has an innovation in economic and financial policy caught on as quickly as privatization. Through privatization and private sector initiatives it is possible to expose once-sheltered parts of the economies of developing countries to market forces and, thereby promote greater choice, competition, and efficiency. By deregulating and incorporating the subterranean economy, developing countries would be in a position to offer a wider array of opportunities to foreign investors. In spite of the fact that, in the past, misplaced nationalism fuelled opposition to foreign investors, the developing countries must now come to grips with the overall negative results of such actions. Consequently, many of those countries are now coming to the realization that the more foreign investors which they can interest in the prosperity of their own countries, then so much the better since with such investment comes goodwill and, ultimately, they (the developing countries) would obtain some influence over the foreign investors, and not the foreign investors over them.

Foreign investment benefits the host country in many ways. As a matter of fact, direct foreign investment has multiple effects on the economy of a host country in terms of production, employment, income, the balance of payments, and general welfare. These sources of capital help to modernize factories, create jobs, produce a greater choice of quality goods at competitive prices, bring new technology and management techniques, and earn desperately needed foreign exchange for the developing countries.

To encourage foreign investment requires the further liberalization of the policies of the developing countries toward such investment, particularly with respect to entry restrictions, screening procedures, sectors open to investment, ownership

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restrictions, investment incentives, and repatriation of profits. Indeed, it should be pointed out that a number of developing countries have either revised or introduced investment codes. In Sub-Saharan Africa alone, for example, more than 20 countries have done so since 1982. Also, many countries have eased entry restrictions; simplified and streamlined procedures for screening applications for foreign investment by creating one-stop investment agencies, for example, Guyana, Ghana, and Kenya; relaxed the rules governing the share of enterprises which may be owned by foreign investors, for example, Ghana and Mexico; introduced new fiscal incentives for foreign investment, for example, India and Ghana; abolished restrictions on the repatriation of profits by foreign investors, for example, Colombia, Zaire, and Venezuela[13]; and created or expanded their domestic securities markets, for example, Brazil, India, and Malaysia.

However, despite these developments, a great deal more needs to be done, particularly in the area of investment promotion, to attract foreign direct investment. Promotion efforts need to be regularly undertaken by the political leaders and appropriate trade teams to inform potential investors that their respective nations are open for new and/or additional business. This is particularly important in those nations where there is an absence of an organized capital market or where such capital markets are weak. It is believed that undeveloped capital markets have hindered privatization efforts in countries as varied as Sri Lanka, Malaysia, and Ghana[14]. However, more compelling and convincing arguments have been made elsewhere which show that privatization can lead to opportunities for the development and/or improvement of capital markets. As pointed out by Waters[15], for example, there is really no point in complaining that the organized local financial markets do not exist in many of the developing nations since the process of raising funds for privatization can be the vehicle for recognizing the existence of unofficial financial markets and

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[13] Guy P. Pfeffermann, *Private Business in Developing Countries: Improved Prospects* (Washington, D.C.: International Finance Corporation, 1988), pp. 27-33.

[14] *Ibid*, p. 21.

[15] A.R. Waters, "Privatization: A Visible Policy Option?" in *Privatization: Policies, Methods and Procedures* (Manila: Asian Development Bank, 1985).

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provide an opportunity to create the missing organized financial structures. This was clearly borne out in the case of Jamaica, as an example, where measures were used to compensate for the weakness of capital markets. In that country's privatization of the National Commercial Bank, the government launched and elaborate information campaign about the public share offer and developed a distribution mechanism that resulted, in the end, in the offering being oversubscribed by a factor of 2.7[16]. Clearly then, the promotion and the dissemination of information on the enterprises to be privatized play a key part in the magnitude and timeliness of the response of privatization efforts.

Conclusions

This work has examined and analyzed the significance of the subterranean economy in the developing countries and suggested policies for using the subterranean economy as a development catalyst in those nations. It was argued that the subterranean economy has an overall generally positive impact on the bettering of life in the developing nations and that it must be allowed to flourish, particularly in light of the fact that the formal sector, as represented primarily by public sector activities and enterprises, is in disarray and now almost completely incapable of contributing to the development effort.

To accomplish the incorporation of the subterranean economy into national economic policy necessarily requires that the developing nations deregulate their economies, privatize their public enterprises, and promote and sponsor initiatives that enhance private sector activities, especially foreign direct investment. Such policy actions, in turn, will further improve the business climate by allowing market forces to assert themselves which, in turn, will have beneficial multiplier effects for the developing countries and thereby stem their current intensive and rapid economic decay. In Africa, for example, it was found that local small-scale entrepreneurship increased as the general

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economic environment became more open.[17] Such an achievement is an example of what can be accomplished if an entire economy were liberalized.

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[17] Walter Elkan, "Entrepreneurs and Entrepreneurship in Africa", *Finance and Development*, Vol 25 (december 1988), pp. 41-42; and Graciela D. testas, "The Invisible Entreprenuers of South Africa", *International Health and Development and Development*, Vol. 1 (Summer 1989),pp. 22-23.

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From Maastricht to Dublin and Belfast: The Irish Debate European Union

Alex Greer
Victoria, B.C., Canada

The 1991 signing of the "Maastricht" Treaty on European Union was meant to settle questions on the nature of Europe's integration for the near future. With its rejection in the June 1992 Danish referendum, the Treaty's eventual form is in doubt. Under the European Community (EC), there must be unanimity from each member state for a constitutional change. The Edinburgh Summit of the EC Heads of Government established the principle of a "two-tier" Europe, in that countries like Denmark, which is to hold another referendum, could be exempt from certain provisions of the Maastricht Treaty. At this writing it is difficult to assess what final form post-Maastricht Europe will take. In the British Parliament, ratification of the Treaty has only been proceeding on "knife edge" votes. Debate has focused on the fundamental question of how strengthening EC bodies will alter national sovereignty. With or without the Treaty, 1993 has witnessed the full implementation of the Single European Act, which makes the EC a single economic market.

Future historians can often judge the significance of political and economic changes by a study of the positions expressed by the supporters of those changes and those expressed by those opposed to change. The traditional European state system, made up of distinct entities bound by borders and united by common nationalisms, underwent a transformation following World War II. The major West European countries transferred important political decision-making powers in new supranational European bodies. First there was the European Coal and Steel Community (ECSC) of 1951, which while limited in scope became the basis of the European Community of 1957. Eventually the original six EC members (West Germany, France, Italy, the Netherlands, Belgium and Luxembourg) were joined by Britain, Ireland and Denmark in 1973. Greece joined in 1981, to be followed by Spain and

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Portugal in 1986. As each country entered the EC, the respective citizenries heard both the arguments in favor and those against.

In France and Germany, the EC's two major founding member states, the established parties labelled "conservative" (in France the Guallist RPR, and in Germany the Christian Democrats), "center" (in France the UDF, and in Germany the Free Democrats) and "socialist" (in France the Socialist Party and in Germany the SPD) are all in favor of closer European union. They may disagree on legalities, but all have endorsed the Single European Act and the Maastricht Treaty. It is the odd alignment of the Trotskyite and environmentalist Left and the nationalist and traditionalist Right which oppose the "new Europe," each for different reasons. This pattern was true in Denmark's referendum where the anti-Treaty factions narrowly upset the establishment's efforts to bring it about.[1] The same kind of alignment was also apparent in the case in the Irish Republic (Eire), where voters accepted the Treaty in their June 1992 referendum, largely because of the financial benefits which it offered in the form of financial transfer to the poorer countries. In the United Kingdom of Great Britain and Northern Ireland, the disparaging term "Eurosceptic" has been applied to those who did not wish to lose their nation's sovereignty by becoming submerged in the "new Europe." The term is somewhat negative and pejorative in its implications, but "Eurosceptics" are a strong body and are by no means confined to the left and right-wing fringe groups.

Britain's 1973 entry into the EC was opposed by the more conservative "Tory" members of the governing party and also, for primarily local political tactical purposes, by the opposition Labour Party. It was Prime Minister Edward Heath who engineered the United Kingdom's EC membership, but not without major protests from prominent Tories. Anti-EC sentiment was even stronger within the ranks of the Labour Party and amongst the trade unions. One anti-EC rally featured an unusual spectacle of future Labour leader and staunch leftist Michael Foot sharing a platform with archetypical Tory Enoch Powell. Although they lost then, and continue to lose, anti-EC members of both parties have continued

[1] In Denmark's 1992 referendum, 50.7 percent rejected the Maastricht Treaty, while 49.3 percent voted in favor of it. Figures taken from *The Economist*, June 6, 1992, pg. 52.

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their protests in opposition to official party policies dictated by the Conservative and Labour leaders, who both favor membership on their own (somewhat different) terms. Significantly, however, neither the Conservative nor the Labor party leaders will now agree to the new measures being referred to the British public by way of a referendum, for fear EC membership might be rejected by the public, since public opinion polls pointed to this possibility.

By contrast with the English, the Catholic Irish, whose parents fought for Irish national sovereignty, are more supportive of the idea of abandoning national sovereignty to a new European Union. This study will examine in greater detail the attitudes of the diverse Irish groups towards European union. All of Eire's major political parties, both the present ruling coalition partners, Fianna Fail and Labour, and the opposition Fine Gael and Progressive Democrat parties, tend to endorse any new policy for European integration. The same sentiment is found among Northern Ireland's Catholics, who mostly vote for the constitutional republican Social Democratic and Labour Party. By contrast, the Protestant Unionists, while reluctantly working with the EC institutions, are adamantly opposed to becoming subject to a new European government, which would not only undermine the sovereignty of Northern Ireland but that of the United Kingdom as a whole.

The European dimension of Northern Ireland's conflict amplifies the province's political/sectarian divide. European issues often take second place to parochial matters in Northern Ireland politics, but such issues are debated by the local parties which have set positions on the EC. This author pointed out in his previous study, "Nationalism, Internationalism and the Conflict in Northern Ireland,"[2] that since the 1960s Irish Catholic attitudes, on both sides of the partition line, have changed. Traditional Irish Nationalism gave way to new forms of leftist "nationalism," which also embraced internationalism. In Northern Ireland this change was reflected in the attitudes of both the SDLP and the violent Marxist Provisional IRA. The Protestant Unionists (so-named for

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[2] *Journal of Social, Political and Economic Studies*, Vol. 13, No. 2, Summer, 1988. 3.) In the 1975 United Kingdom referendum on continued EC membership, 47.4 percent of Northern Ireland's electorate turned out to vote, with 52.1 percent approving of Britain's membership in the EC, compared to a yes vote of 68.7 percent in England, 64.8 percent in Wales, and 58.4 percent in Scotland. Figures taken from S.F. Goodman, *The European Community*, (New York, N.Y.: St. Martins, 1990), pg. 47.

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their loyalty to union with Britain), however, have remained firm in their desire to maintain their national identity and state sovereignty.

The previous study examined republican and unionist proposals to solve Northern Ireland's constitutional impasse (and hence also the problem of terrorism), and particular attention was focused on the 1985 Anglo-Irish Agreement. This study will focus on the positions of the major political parties in both Northern Ireland and in Eire with respect to the ongoing process of European unity. It will be further noted that the reactions of each party to European political developments constitutes a further aspect of the conflict between the "old style" Unionism and the "new style" Irish Republicanism.

Britain and the European Community

Before proceeding to examine the Irish parties, it is important to clarify and define some of the workings of the EC, and the policies of the British government in that regard. Northern Ireland is still a part of the United Kingdom of Great Britain and Northern Ireland, and since the 1972 suspension its own Parliament by the Westminster Parliament in London, the province has been forced into a state of "constitutional limbo" under a "caretaker" system of direct rule from London. British policy, from its 1973 White Paper, officially stipulates that direct rule is only "temporary" until the unionist and republican parties reach a constitutional agreement having "cross-community" support.

In consequence of "direct rule," when the London government decided to join the EC, Northern Ireland, whether its electorate supported it or not, thereby also became part of the EC. All the Ulster Unionist MP sitting in the British Parliament at Westminster voted against the European Communities Act (which ratified the British government's signing the Treaty of Accession for European Community membership). This was consequently achieved in direct contradiction to the wishes of the majority of Northern Ireland's elected representatives in London. At that time greater opposition to the EC existed in the Labour Party, which ousted the Heath Tories in the 1974 general election. True to its promise, the new Labour government held a referendum on Britain's continued EC membership in June, 1975. The verdict from the British electorate was at that time for continued membership.

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Northern Ireland had a lesser turnout compared to England, Scotland and Wales, and a lower percentage of Ulster voters supported the EC compared to the other regions.[3]

The factor that united Tories like Enoch Powell with many Labourites and Ulster Unionists against membership in the EC was the question of the United Kingdom losing its sovereignty by absorption into a supra-national body. Powell wrote "The Case Against the Common Market,"[4] which argued forcefully that the much publicized issue of trade was really irrelevant, for Britain already had healthy trading relations with continental Europe. What EC membership meant for Britain was a loss of the sovereign power of its people to make their own political decisions.

Loss of national sovereignty and fear of a massive European bureaucracy are the two prime factors which inspire those who still struggle against absorption into the emerging supranational body. Advocates of the EC, like British author S.F. Goodman in a recent book,[5] prefer to use the term "pooling of sovereignties" to describe the collective workings of the EC institutions. How is the EC structured? Briefly, the EC's "constitution" is the Treaty of Rome. The four main bodies of the EC are: the European Commission, the Council of Ministers, the European Parliament (EP) and the European Court of Justice. This will not be an exhaustive study of every detail of the myriad of EC policies (both those in existence and those proposed under the Maastricht Treaty), but rather it will examine selected aspects, and especially those relevant to the affairs of both Irelands.

The Brussels-based Commission, consists of seventeen members appointed for four year terms. It proposes policy and legislation for the Council's final decision. The Council can consist of either the EC member's Heads of Government, or that of other relevant cabinet ministers, depending on the particular field of concern. The European Parliament, which sits in Strasbourg, has 518 members, who have been directly elected every five years since

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[3] In the 1975 United Kingdom referendum on continued EC membership, 47.4 percent of Northern Ireland's electorate turned out to vote, with 52.1 percent approving Britain's membership in the EC. Figure taken from S.F. Goodman, *The European Community, (New York:St. Martin's, 1990), pg. 47.*

[4] Enoch Powell, *The Case Against the Common Market*, London: Anti-Common Market League, 1972).

[5] S.F. Goodman, The European Community, New York: St. Martins, 1990.

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1979. At present the EP is not a legislative body, it is only consulted on the Commission's proposals before they are adapted by the Council. The EC's judicial tier is the European Court of Justice, which has thirteen judges and six advocates-general. This body rules on, and interprets, the application of Community law.

By what process does the working of these institutions override national sovereignty? The Council and Commission, as noted by Goodman, "may make regulations, issue directives, take decisions."[6] Regulations "are applicable to all member states and do not need to be approved by national parliaments. The regulation takes legal precedence if there is any conflict with national law." Directives consist of political results which "must be achieved within a stated period and it is up to each member to introduce or amend laws to bring about the desired effect. If the member fails to implement the directive the Commission may refer the matter to the Court of Justice if other approaches fail." Rulings of the European Court are "binding in member states."[7] Lord Denning, one of Britain's leading legal authorities, spoke strongly against the way in which regulations and directives from the Commission and the rulings of the Court were already undermining the laws passed by the British Parliament and the ruling of British courts.[8]

The Single European Act (SEA), which effectively eliminates national sovereignty among all EC members, is in Goodman's words "the catalyst for change" to realize the "original objective" of the Treaty of Rome; which while allegedly being the achievement of a single European economy, in reality involved political union as well. The SEA now has removed all barriers on the cross border movement of goods, people and capital. A recent study from the Dublin-based Institute of European Affairs claimed that the SEA has caused "a revival in confidence," in the EC, having "reestablished the focus on the core of economic integration" as well as being "another 'limited but decisive' institutional reform."[9] Along

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[6] Goodman, ibid., pg. 4.

[7] Quoted from the author's "Britain, Ireland and European Unity", *Reformed Perspective*, (April, 1991), pp. 6-7.

[8] Goodman, op cit, pg. 2.

[9] Patrick Keatingae, ed., "Maastricht and Ireland: What the Treaty means", (Dublin: Institute of European Affairs, 1992), pg.5.

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with the development of the "single market" the Commission, under the leadership of its French President, Jacques Delors, is endeavoring to establish new European institutions, namely the Economic and Monetary Union (EMU) which has run into considerable trouble. This is a proposal for common monetary and fiscal regulations, a common currency (the European Currency Unit or ECU), and a European central bank. In other areas, M. Delors has also proposed a uniform Social Charter of worker's rights and labour legislation. France's Socialist President Francois Mitterand has strongly supported this concept, adding that: "Europe will be for workers as well as for bankers."[10]

At the EC Heads of Government summits prior to Maastricht, the EMU and Social Charter proposals were opposed vigorously by British Prime Minister Margaret Thatcher. Back home, she was challenged not only by the opposition Labour Party for her position concerning the Delors' proposals, but also by pro-EC elements in her own party. Eventually Mrs. Thatcher was persuaded to resign in November 1990 after more in-fighting within the Conservative Party parliamentary caucus. As the Maastricht summit's approached in 1991, it was unclear what kind of treaty the new Prime Minister John Major, a supposed confidant and protegee of Mrs. Thatcher, would negotiate for Britain. Prior to the summit, Foreign Secretary Douglas Hurd assured anti-EC Tories at a party conference that the EC would not be allowed to become a "federal straitjacket." In response to pro-EC former Prime Minister Edward Heath's open demand that Britain accept the European Monetary Union, Hurd asserted that Britain "would make a success of its role" within the EC.[11]

Current Prime Minister John Major assured those who wished to protect British sovereignty that the EC member countries would be held together not by "the rigidity of an enforced federalism, but by willing co-operation.[12] Protesting that Britain needed a freer market and only loose confederal political bonds, Major was granted some token compromises at Maastricht, and was praised by the essentially pro-EC British press for his "triumph." In the Treaty's final draft, the French dropped their demands for

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[10] Goodman, op cit, pg.2.
[11] *The Times* (London), October 9, 1991, pg.1.
[12] *The European*, April 2-8, 1992, pg.11.

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inclusion of the word "federal," as well as the much disputed Social Charter. Even though the EMU was a major part of the Treaty, Britain was granted the option of staying out of the third stage, meaning that it would for the present retain its own currency, the Pound Sterling, as a sop to British public opinion. Significantly, however, it was granted the "option" of converting to the ECU at a later date. The Commission, on the other hand, won greater powers in the community-wide control of vital fields such as education and the environment. More funds were pledged for regional development (Cohesion Funds) to win the support of poorer EC countries. The government of the Irish Republic, in difficult financial straits itself, played a key role in championing this policy.

In a study entitled "Maastricht and Ireland: What the Treaty means" by the Dublin-based Institute of European Affairs, Trinity College Dublin Associate Political Science Professor Patrick Keatingae first noted that Europe under the Treaty "cannot yet be placed on the threshold of a federal state. Nor is there any guarantee that it will be... While the Treaty contains elements which have a very strong federal character, such as the projected single currency, these sit alongside others which fall far short of that mark" (i.e., the lack of a common defence policy).[13] On the other hand, the same study noted that the Treaty "represents a significant transfer of powers to the Union." Professor Brigid Laffan of University College Dublin further commented that the new Treaty was "an effort to match the political framework to economic realities" and "marks a further change in the exercise of national sovereignty and points to a further pooling of sovereignty by the turn of the century."[14] It is with this background in mind that the respective positions of the Irish parties (excluding those linked with paramilitary organizations, which are violently opposed to the established political process in both Irelands) should be examined.

The Irish Republican Parties

[13] Keatingae, ed, op cit, pg. 9.
[14] Keatingae, ed, op cit, pg.17.

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A. The Eire Parliament

Since the 1920s, political party alignment in the twenty-six county Republic of Ireland (formerly the Irish Free State) has been set by attitudes over the island's partition. Some Irish Nationalists accepted the treaty with Britain and formed the Fine Gael Party. Others rejected the treaty and formed the Fianna Fail Party. Despite their losses in a recent Irish election, Fine Gael and Fianna Fail are the two major parties in the Dail (the Irish Parliament) in Dublin. The former has been "softer" in its stance towards Northern Ireland, while the latter has been known for harder line policies. It was a Fianna Fail government which in 1948 made the Irish Free State a republic, hence leaving the British Commonwealth, as well as changing the clauses in its 1937 constitution which offended the Ulster Unionists.[15]

Fianna Fail, Fine Gael, the Irish Labour Party (which has often been in coalition with the latter, and is now in coalition with the former), and the relatively new Progressive Democrats support Ireland's membership in the EC. It is Fianna Fail which negotiated Eire's entrance into the EC, after a 12-year wait. Fine Gael, according to a government publication, "is also committed to the development and unification of the European Economic Community."[16] At the European level, each party is a member of a respective grouping: Fianna Fail belongs to the European Democratic Alliance, which also includes the French Gaullist RPR, and the Scottish Nationalists. Fine Gael belongs to the Christian Democrat group, known as the European People's Party. Labour belongs to the Confederation of Socialist Parties of the European Community, as well as being a member of the Socialist International. Irrespective of party, "successive Irish Governments have favored the progressive evolution of the European Community into a European Union ..." according to the recent government "White Paper:

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[15] Article 2 of the Republic of Ireland's 1937 Constitution reads: "The national territory consists of the whole island of Ireland, its island and the territorial seas." Article 3 of the said Constitution reads: "Pending re-integration of the national territory, and without prejudice to the right of the Parliament and Government established by this Constitution to exercise jurisdiction over the whole of that territory, the laws enacted by that Parliament shall have the like area and extent of application as the laws of Saorstat Eireann and the like extra-territorial effect."

[16] Irish Department of Foreign Affairs, *Facts About Ireland*, (Dublin: Department of Foreign Affairs, 1985), pg 54-55.

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Treaty on European Union."[17] At the EC Heads of Government summits prior to Maastricht, the Irish Prime Ministers supported all aspects of the Delores plan, as well as the SEA.

At the time of writing, the current Irish Government, following the results of that country's November 1992 election, is a Fianna Fail-Labour coalition, but during the time of the Maastricht negotiations Fianna Fail was in coalition with the Progressive Democrats (their EC policies will be examined in the section on the center parties). The "White Paper" noted that Dublin "approached the negotiations in a positive and active manner and in light of" its "commitment to European Union."[18] The "White Paper" also noted certain specifics of Dublin's "overall approach" in its "full commitment to the achievement of closer European integration..." in that:

> The Government supports the objective of a single currency, the establishment of a Common Foreign and Security Policy, the creation of mechanisms to ensure the efficacy of Community decision-making and the extension and deepening of the range of areas in which the Community could act under the Treaties and the widening of the scope of existing areas.[19]

Following the Treaty's signing, the April 1992 "White Paper" stated that its ratification was an "immediate priority ..."[20] Given the nature of the Republic's constitution, ratification of the Maastricht Treaty had to be taken to the voters in a referendum, as was the case with the SEA in 1987. Both the 1987 and the 1992 referendums witnessed overwhelming support from the Irish electorate for their government's pro-EC policies.

"The White Paper" is very clear about the implications of the Treaty for national sovereignty. For example, on the EMU it notes that "the main implication for all member states of monetary union is that each shall lose sovereignty in the monetary field."[21] Why

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[17] "White Paper": *Treaty on European Union*, (Dublin: Government of Ireland Stationary Office, 1992), pg. 18.
[18] "White Paper," pg. 18.
[19] "White Paper," pg. 20.
[20] "White Paper," pg. 16.
[21] "White Paper," pg. 58.

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are Eire's major parties willing to openly concede sovereignty, while they still rhetorically honor "old Ireland's cause" of wrestling sovereignty from Britain? According to American Professor Paul Sharp the reason is largely to do with economics and the depressed condition of the Irish economy. Ireland's Gross Domestic Product (GDP) in 1990 was the equivalent to 64 per cent of the EC average, and hence to many Irish the EC is seen as a possible "vehicle of economic prosperity." One of its goals is to equalize the standard of living among its member states, by the transfer of wealth so as to end "regional imbalances".[22] The "White Paper" portrayed membership of the EC as "a cornerstone of political and economic stability" and that "Ireland has benefitted substantially"[23] from its membership.

Two examples of such economic benefits for Eire have been grants from the Structural Funds (funds marked for development of the EC's poorer areas), and subsidies from the Common Agricultural Policy (CAP). During the June 1992 referendum, Prime Minister Albert Reynolds stated that "The Irish people will benefit massively by taking part" in the Maastricht Treaty, and that "staying out could only be devastating for us and for future generations." Canadian business reporter Terence Corcoran commented that by the word "massive," Reynolds was referring to roughly $12 billion of aid which would be transferred to Eire by the more prosperous European countries, as well as promises of agricultural protectionism. Corcoran's conclusion was that "the Irish ... are being bought."[24]

The "White Paper" also noted that the Treaty could mean greater "economic cooperation and partnership" between Eire and Northern Ireland. The general framework of the EC is regarded by some as a vehicle to help solve Northern Ireland's impasse. In a guest article in a Belfast daily, the Republic's Foreign Affairs Minister, David Andrews, described the EC as "an enabling factor, offering new points of reference [for Northern Ireland's two communities, and the Republic], new possibilities free of the

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[22] Paul Sharp, "Irish Foreign Policy and the European Community," (Aldershot, UK: Dartmouth Publishing, 1990), pg. 245.

[23] "White Paper," pg. 18-19.

[24] Terence Corcoran, "Buying Off Irish to Keep Europe Together", *The Globe and Mail* (Toronto, Canada), June 19, 1992, pg. B2.

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connotations of the past. It can also be a motivating factor, as it brings to the fore new and shared interests in the context of European Union."[25]

B. The Social Democratic and Labour Party (Northern Ireland)

The Social Democratic and Labour Party (SDLP) emerged in 1970 and displaced the old Irish Nationalist Party as the chief representative of Northern Ireland's Catholic/Republican voters. By its constitution, the SDLP is a "socialist party," and its policy for Irish unification is to be by means "freely negotiated and agreed to by people of the North and by the people of the South ..."[26] In the 1984 New Ireland Forum, which the SDLP drafted along with the Republic's major parties, one proposal for a united Ireland was for joint British/Irish authority over Northern Ireland, a policy which means a considerable break with traditional concepts of sovereignty. As a possible means to this option, the SDLP supported the Anglo-Irish Agreement of 1985.

Along with both the Irish and British Labour Parties, the SDLP is a member of the Confederation of Socialist Parties of the European Community and of the Socialist International. It has long supported the EC, and programs like the SEA, the EMU, and the Social Charter. SDLP leader, John Hume, a member of both the British and European Parliaments, said "that the only union which matters is the European union." In a Belfast daily, Mr. Hume wrote that "the Single Market and now the drive towards European political union have all got profound implications for relations within Ireland, relations between Ireland and Britain and there-fore our own serious problems here in Northern Ireland." The same article spoke of: "shared sovereignty and interdependence as we move inevitably towards the United States of Europe and as we in Ireland rid ourselves of the obsession with Britain and re-build our links with the rest of Europe." Furthermore the recent Anglo-Irish process is likened to the EC:

> All of this [European unity] is reflected in the new approach to British-Irish relationships dating from 1980 and leading to the Anglo-Irish

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[25] *Ulster Newsletter*, March 26, 1992, pg.11.

[26] "SDLP Party Constitution," (Belfast: SDLP Publications, 1985), pg.1

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> Agreement, the institutions of which ... are all modelled exactly on the institutions of the European community.[27]

Unionists were urged to accept the reality of a common European identity and then to "negotiate with everyone involved" in Northern Ireland "in order to ensure that the [European] institutions respect our differences...but [would] allow us to work together."

In early December, 1991, Mr. Hume travelled to Brussels for a two day meeting with the leaders of all of the EC's socialist parties for "a pre-Maastricht 'summit' of the European left", in order to enable the Socialist Government Heads of France, Spain and Luxembourg to consult with other socialist party leaders so that a "strong united social democratic voice can be heard at Maastricht." Mr. Hume described the Maastricht summit as "a pivotal moment in the history of the European Community, and the opportunity must be seized to achieve an irreversible move towards European union."[28] Mr. Hume also gave his support for the Structural and Cohesion Fund proposals because of a need for "more ambitious policies to close the gap in living standards between rich and poor, and between the developed and deprived regions of Europe," and for the "full implementation of the Social Charter, elaborated by the Delors Commission."[29]

The SDLP does not confine its pro-EC policies to mere statements. On the implications of the SEA, Mr. Hume has urged the British Northern Ireland Office to coordinate a major drive to persuade Japanese and American companies in particular that Northern Ireland would provide them with a perfect launching platform for their industries ..." and that the "government must ... do more locally to engage in a more pro-active European awareness campaign ..." Mr. Hume also expressed amazement "at how little public discussion there has been in ... [Northern Ireland] on the implications of the Single Market and the move towards European Political Union ..." He boasted that it "is fact that the SDLP has been the only political party in Northern Ireland to

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[27] *Ulster Newsletter*, March 6, 1992, pg. 11.

[28] Press Statement by Mr. John Hume MP MEP, December 3, 1991.

[29] Ibid.

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promote awareness, understanding and debate on the major and fundamental implications for the Single Market for all our people."[30] Given the SDLP's pro-EC stance, internationalism is as much in evidence among the Catholics in, Northern Ireland it is in southern Ireland.

The "Centrist" Parties (Northern Ireland)

The Progressive Democrats

The Progressive Democrats (PDs) were Fianna Fail's coalition partner during the Maastricht negotiations. The PDs originated in 1986 when former cabinet minister Desmond O'Malley, along with a parliamentary colleague, left Fianna Fail. The PDs have only a handful of Dail seats. In respect to European issues, the PDs have expressed their positions jointly with their ideological counterparts in the Alliance Party of Northern Ireland (APNI) and with Britain's Liberal Democratic Party[31]. These parties are members of the European Liberal, Democratic and Reformist (ELDR) group of parties, a grouping which also includes parties like Germany's Free Democrats (a coalition partner with Chancellor Kohl's Christian Democrats), and the Belgian Liberal Party (PVV) of the organization's President Willy de Clercq. Also the PDs, the APNI and the British Liberal Democrats are members of the Liberal and Progressive International, a world-wide grouping of liberal parties.

The Alliance Party

The Alliance originated in 1970 as a party which sought to bridge the sectarian political gap in Northern Ireland. But its aims go beyond the parochial concern of Protestant/Roman Catholic "reconciliation" and a far reaching cross-community political settlement for the strife-torn province. As noted from its connections with the Republic's PDs and with Britain's Liberal Democrats, as well as from its international connections, the Alliance is also committed to modern liberal policies such as a mixed free market/statist economy, "human rights" and internationalism. In

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[30] *European Social Democrat*, First Edition, 1992, pg. 1.

[31] The British Liberal Democrats (originally the Social and Liberal Democratic Party or SLD) was formed in 1987 by a merger of the historic Liberal Party with the bulk of most of the newer Social Democratic Party (SDP).

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regards to electoral support, the Alliance has only secured, at the most, 14.4 percent of the province's popular vote.[32] With its greater willingness to accept the British Government initiatives, the Alliance has maintained a closer relationship with the London-appointed Ministers responsible for the province's affairs. It has also played a key role in the recent talks organized by the British government between the Unionists and the SDLP, chaired by London-appointed Northern Ireland Secretaries of State.[33] Alliance proposals have called for devolution to a Northern Ireland Assembly but with some form of a power-sharing executive. It opposed the SDLP's "Irish dimension" concept, but supported the Anglo-Irish Agreement in 1985.

The Alliance is avowedly "a pro-European party," and is "proud" of its "association with many of the most forward thinking politicians in Europe."[34] The party's leader, Dr. John Alderdice, says that the establishment of a Northern Ireland regional government is "an urgent economic necessity" to avoid any "serious economic disadvantages," due to "the rapid approach of the Single European Market in 1992."[35] Both the anti-EC Unionists and the pro-EC SDLP were criticized for having no commitment for devolution in the post-1992 period. Like Mr. Hume, Dr. Alderdice believes that increased European integration "is leaving the debate about sovereignty and statehood behind."[36]

Two months prior to the Maastricht summit, Alderdice attended the ELDR's Berlin Congress, which issued a set of common resolutions regarding the proposed policies for a future Europe. The ELDR "has been unequivocal in its support" for the EMU, and regards it "as a logical development after the creation of the Single Market in 1993..." Alderdice argues that unless the EMU proposals forwards "a more progressive Europe will lack credibility."

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[32] W.D. Fleckes and Sydney Elliot, *Northern Ireland: A Political Directory, 1968-88,* (Belfast: Blackstaff press, 1989), pg.63.

[33] Under the direct rule system the ministers responsible for Northern Ireland affairs are MPs from the British mainland, and the chief minister is the Secretary of State for Northern Ireland, who at the time of the 1991 inter-party talks was Peter Brooke. In the 1992 inter-party talks the said Secretary was Patrick Mayhew.

[34] *Alliance News,* November, 1991, pg. 1

[35] *Alliance News,* October, 1990, pg. 1.

[36] *Ulster Newsletter,* February 18, 1992, pg. 11.

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Other resolutions called for an EC "Common Environmental Policy," for the inclusion of the European Declaration of Human Rights into the Treaties, for the European Parliament to be "an equal partner of the Council in all legislative matters," and for more "democratic accountability." Significantly, yet another resolution concerned the question of immigrants from the Third World, who should be able to "take their place in a welcoming [European] society."[37] These resolutions, are clearly internationalist in both sentiment and effect. The PDs and the APNI are small, but are active and key players in their respective local politics. Given the Alliance's electoral achievements it is apparent that a sizeable segment of Ulster's Protestants have been persuaded to abandon their nationalist traditions.

The Unionists

A. The Official Unionists

The Ulster (Official) Unionist Party, which is still the chief representative of the Protestant community, has always opposed British membership in the EC. In the recent debates at Westminster, John Taylor MP, the chief Ulster Unionist spokesman on European affairs and a former Member of the European Parliament, said that his party opposed the Maastricht Treaty in its manifesto. Mr. Taylor further said that his party does support greater co-operation in Europe but as sovereign states, not in a "federal straitjacket", for:

> Let us not forget that it is a treaty for European Union. That is spelt out in detail in the agreement and for the Government to pretend otherwise is to avoid the truth facing us in this debate. It creates European citizenship...It goes further and it extends Community control over our security, immigration and eventually, our defence policies and will extend major control over our economic policy.[38]

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[37] *Alliance News*, November, 1991, pp. 4-5.

[38] *Newtownards Chronicle*, 12 November, 1992, pg. 18.

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Mr. Taylor then called on the British Government to offer the British people a referendum on the Treaty, and said that the Ulster Unionists would not "sell the United Kingdom short in Europe" but also warned that "some members of the Government obviously would."[39]

Unlike the Alliance, the SDLP and the Republic's parties, the Official Unionists are not committed outright to any European, or any international grouping of parties. As an MEP, John Taylor was first a member of the European Democratic Group (EDG - which included British Tories), but with the EDG's support for the Anglo-Irish Agreement he then switched over to the European Right Group which included the French National Front. When Mr. Taylor's successor, James Nicholson, joined the European People's Party in 1987, he drew some criticism from Unionist ranks. The Unionist positions are not different from those of their allies among the anti-EC British Conservatives. Enoch Powell continued his fight against British membership in the EC when he changed from being a Tory to being an Ulster Unionist MP in 1974.

In August 1990, Ulster Unionist leader James Molyneaux gave words of support for British Secretary of State for Trade and Industry Nicholas Ridley, who resigned following the publication of his anti-EC views in London's weekly journal, *The Spectator* [40] Mr. Ridley had called the EMU a: "... a German racket designed to take over the whole of Europe," and he blasted the French for "behaving like poodles" in their support of the policy. Mr. Ridley's 'private' remarks were not typical Germanophobia, because as a strict monetarist he said that Britain would have better financial discipline under a German-run central bank, but given a lack of "... political accountability ...", and that being "bossed around by a German" could mean "a bloody revolution" in Britain. One Official Unionist quarterly praised Ridley for being "... intemperate, but totally accurate" in drawing attention to the EC's "lack of account-

[39] *Newtownards Chronicle*, 12 November, 1992, pg. 18.

[40] *The Spectator*, July 14, 1990, pp. 8-10.

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ability."[41]

European issues are debated more in the Ulster Young Unionist Council (UYUC), the party's youth wing. At the UYUC's 1991 annual conference, the third motion dealt with the CAP, at which the proposals of Agriculture Commissioner MacSharry were rejected because they "would breed simply further inefficiency in the farming industry ... [and] reduce farms in Northern Ireland to semi-subsistence."[42] The CAP has been described by Young Unionists as disastrous on the grounds that agriculture "must be divested of its special status and made to stand on its own two feet."[43] Prior to the Maastricht summit another Young Unionist charged that Delors' Social Charter would produce "detrimental effect(s)" for British industry. He held that all of "Jacques Delors' federalist plans for Europe must be rejected by the United Kingdom. Whether it be on the issue of a single currency, a central bank, or a common foreign policy, [British Foreign Minister] Douglas Hurd and the government must resist any inclination to commit any further sins on Europe. Yielding to Delors' Euro-Master Plan would be an unpardonable sin."[44]

B. The Democratic Unionists

Britain's membership in the EC is equally anathema to the Democratic Unionist Party (DUP). This party, which has always been led by its well-known leader, Rev. Ian Paisley, was launched in 1971 when many conservative Protestants were disgruntled with the Official Unionists. By the mid-1980s the DUP's electoral support grew to roughly 23 percent of the popular vote, making it an important representative in the Protestant community.[45] The DUP also no affiliation with any European or international groupings of parties. Rev. Paisley, has since 1979 sat as an independent MEP at Strasbourg, and his election literature has placed considerable emphasis on this.

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[41] *Ulster Review*, issue #3, pg.3. (no date is given but I presume it is Autumn, 1990).

[42] *Ulster Review*, issue #6, pg.8. (no date is given, but I presume it is Autumn, 1991).

[43] *Ulster Review*, issue # 5, pg. 10-11. (no date is given, but I presume it is Spring 1991); and *Ulster Review*, issue #7, pg. 12-13.

[44] *Ulster Review*, issue #5, pp.7 and 15. (no date is given, but I presume it is Spring, 1991).

[45] Fleckes and Elliot, op cit pg.111.

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Like the Official Unionists, the DUP stands for the sovereignty of the United Kingdom and thus has opposed full membership of Britain in the EC, which, according to DUP spokesmen, has hurt Northern Ireland in terms of jobs. In the 1989 European Parliament elections, Rev. Paisley went as far as to denounce Mrs. Thatcher's opposition to the Delors' proposals as "hypocritical," complaining that she herself had earlier been responsible for signing the Single European Act.

He also raised questions about matters concerning the disproportionate share of funds Britain pays into the EC budget, and the smaller portion of funds it receives in return. Recently, with the debate over the Maastricht Treaty, DUP press officer Sammy Wilson "warned that the centralization of economic activity as a result of the Single Market and the Maastricht Treaty could cost the province another 40,000 jobs and added that it was now going to be dragged into a trade war because of the French insistence on protecting farmers."[46]

One of the major reasons for Rev. Paisley's opposition to the EC is theological. As a fundamentalist Protestant clergyman he has noted that the EC countries:

> "... are overwhelmingly Roman Catholic ... Apart from Denmark (which has a population of only five million) Britain is the only really Protestant country in the EEC with about 10 percent of its 56 million population being Roman Catholic. When Spain and Portugal join the Roman Catholic percentage will be overwhelming."[47]

Hence the creation of a United States of Europe would be Roman Catholic-dominated, and Protestants would be more outnumbered position than even in a united Ireland. The support given to European unity by Pope John Paul II is no coincidence to Rev. Paisley, who stood up in protest when the former addressed the Strasbourg Parliament in October, 1988. The DUP leader held up a placard expressing a traditionalist Protestant view of the papacy:

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[46] "Newtownards Chronicle," 12 November 1992, pg.18.

[47] Quoted from Steve Bruce's God Save Ulster: The Religion and Politics of Paisleyism (Oxford University Press, 1989,) pg.227.

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JOHN PAUL II IS ANTI-CHRIST. Rev. Paisley's defence of Protestant Britain against a Papal-dominated Europe, historically speaking, is in keeping with British religious values since the Reformation.

Conclusion

In the issues surrounding the effort to create a new European politically-unified state, the Irish are apparently divided very much along the lines of their respective Protestant/Unionist and Roman Catholic/Republican communities. Unlike the past, or even in the internal politics of Northern Ireland, the question centers not over the Union Jack or even the Republican tricolor, but over whether or not both should be supplanted by the EC's blue banner with the twelve gold stars. While the present day Irish Republicans, both those belonging to the major parties in the Republic of Ireland and those belonging to Northern Ireland's Social Democratic and Labour Party, continue their fight against Britain, they are pledged to openly surrender Irish sovereignty to the institutions of the European Community. To the Ulster Unionists, besieged not just by Irish Catholics with their higher birthrate, by a London government which favors European union, and also by the pro-EC forces throughout Europe, including the bureaucrats of Brussels, their old 1690 slogan "No Surrender" now has a new meaning. Few of them have abandoned their nationalist pride and fervid support for U.K. sovereignty. Yet their ranks are no longer solid on the issue of sovereignty, and the leaders of the current British government, which exercises political power over Northern Ireland, are themselves committed to nudging the United Kingdom into the proposed European Union, which would reduce the significance of the border between Eire and Northern Ireland, despite Conservative and Unionist back bench opposition. Should the present European Community eventually emerge as a unitary, if confederal, political state, the Ulster Protestant 'lager' is unlikely to find a Prins Wilhem Van Oranje to come to its rescue and break the siege.

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Immigration and Criminality in the U.S.A.

John Tanton and Wayne Lutton
The U.S. Foundation, Petoskey

Criminal activities committed by immigrant aliens in the U.S.A. have escalated dramatically. Aliens are crowding local, state and federal jails across the country. The U.S. Bureau of Prisons reports that more than 20 percent of federal inmates are non-U.S. citizens, from over 120 countries. Half were convicted on drug offenses and most are subject to deportation.

"If we think the 20 percent figure is high, what is worse is that seven out of eight [criminal] aliens are either released or given probation and never serve time in prison," explained Representative Lamar Smith (R-Texas), a member of the House Judiciary Subcommittee on Immigration, Refugees and International Law.

For the U.S. population as a whole, the incarceration rate in federal and state prisons is 233 per 100,000 persons. Among illegal aliens, the incarceration rate is three times the U.S. average. Since 1980 there has been a 600 percent increase in alien inmates, principally for drug-related offenses. Over the past five years, an average of more than 72,000 aliens have been arrested annually on drug charges.[1]

Under current immigration laws and procedures, frighteningly large numbers of newcomers see crime as their avenue to the American dream.

Foreign Crime Syndicates Target U.S.

The FBI warns that international crime and terrorist organizations have placed America under siege. INS spokesman Gary Renick noted that crime bosses in such places as Colombia,

[1] "Deportation of Criminal Aliens," Federation for American Immigration Reform, May 7, 1991; Joes Brogan, "Criminal Aliens Costly, Difficult to Deport," Palm Beach Post, Feb. 23, 1992; Associated Press, "Rising Crime Among Aliens Puts Strain on Justice System in U.S.," *The Washington Times*, Nov. 27, 1989.

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Mexico, Nigeria, South Korea, Japan, and Hong Kong view the U.S. as an especially inviting "land of opportunity." According to the INS, organized criminals of each nationality seem to specialize: Colombians in cocaine; Mexicans in marijuana, alien smuggling, and auto theft; Nigerians in heroin, student-loan and credit-card fraud; Chinese in heroin, and alien smuggling; South Koreans in prostitution; Russians in drugs and insurance-fraud; Jamaicans in cocaine.

Since the mid-1980s, major crime operations have not only come to be directed by foreign nationals, but staffed by them as well, instead of employing American agents. An INS report titled, *The Newest Criminals : The Emergence of Non-Traditional Organized Ethnic Crime groups and INS's Role in Combating Them*, says that many of the ethnic criminal organizations exist in their native countries and simply expand into the United States. Said David Leroy, chief of domestic intelligence for the U.S. Drug Enforcement Administration, "Ethnic gangs appear to be the *new* trend in crime."

Criminal activities in the U.S. run by Third World natives can be traced back to the Immigration Act of 1965 and failure to control immigration. The social effects of the 1965 Act were not felt immediately. Only after a "critical mass" of foreign colonists arrived here, did law enforcement agencies begin to learn about the presence of criminal elements among the new immigrants. As the *U.S. News and World Report*[2] conceded, "it is startling the degree to which the clout of newer ethnic gangs is reflective of immigration trends."

Asian Criminal Organizations

The Triads

The Triads date back to the 17th century, when Han Chinese founded secret societies to resist the foreign Manchu invaders and restore the Ming dynasty. By the end of the 19th century, many Triads had largely abandoned their political idealism and transformed themselves into sophisticated criminal enterprises. Leading politicians, including Dr. Sun Yat-sen and Chiang Kai-shek, found it expedient to trade favors with the powerful Triads, whose opportunities for profits improved after the Manchus were finally overthrown in 1911.

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[2] *U.S. News and World Report*, Jan. 18, 1988.

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Triads have been active in Hong Kong since 1 842. During World War II, they often cooperated with the Japanese. In time, they came to control the dockyards. After Mao-Tse-Tung seized power on the mainland in 1949, some Triads moved to Hong Kong and others to Macao (the Portuguese colony near Hong Kong that comes under the authority of Beijing in 1999) and Taiwan. Today, most Triads are based in Hong Kong and Taiwan, with branches operating in other parts of Asia, Europe, Canada, and the United States. According to the Royal Hong Kong Police Force, approximately 50 Triad societies are active there, with a combined membership of some 300,000. One society, the 14 K Triad, has nearly 40,000 members. The State of California Attorney General's Office reports that the Wo Hop To Triad, which is one of the most active Triads in California, has an active membership of 28,000.[3]

Alien smuggling has become an important part of their work. *The Washington Post* reported on Feb. 9, 1993 That more than 60 international routes are used to illegally bring 100,000 Chinese nationals into the U.S. each year [and additional tens of thousands into Canada and Australia as well]. The individuals pay huge fees to the professional smugglers, often ranging from $25,000 to $50,000, for this "service." Those who are taxable to pay in advance settle the balance of their debt by becoming indentured to Triad-controlled businesses over here, especially garment sweatshops, prostitution rings, gambling operations, and drug dealing.

Writing in *The Christian Science Monitor*, December 24, 1991, Arm Scott Tyson revealed that, "The Chinese groups tend to specialize in certain kinds of crime in big cities. Fujianese criminals in New York tend to be involved in violent crime. Cantonese from China's Guangdong Province operate vice and extortion rackets in San Francisco, and Taiwanese crime groups are active in money laundering and white collar crime in Los Angeles and Houston."

The Triads' most important source of wealth derives from

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[3] On the Asian Triads see Gerald Posner, *Warlords of Crime* (NY: McGraw-Hill, 1988) and Martin Booth, *The Growing Threat from Chinese Criminal Societies* (NY: St. Martin's Press, 1991); on the Japanese Yakuza, see David Kaplan and Alec Dubro, *Yakuza* (Reading, Mass: Addison-Wesley, 1986); also, *Organized Crime in California: Annual Report to the California Legislature*, Sacramento: State of California, Dept. of Justice, 1989 and following.

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their control of the major supplies of heroin. The hilly area bordering Burma, Laos, and Thailand, known as the "Golden Triangle," is where over 70 percent of the world's opium is grown. As investigator Gerald Posner points out in his study of the *Triads, Warlords of Crime*, "Without heroin they are just another group of criminals.[4] With heroin they have a potential for profit unmatched in the annals of organized crime."

The FBI reports that Asian youth gangs, notably Vietnamese "refugees" and their American-born offspring, employed as "street muscle" by the Triads, operate in the U.S. through Tongs. (The word "Tong," derived from "Town Hall," describes fronts that often publicly engage in charitable work in Chinese communities). These Asian syndicates pose special problems for law enforcement, since their members are bound to secrecy, and because the almost insurmountable barriers of language, dialect, and culture make prosecution difficult in the extreme including reading arrestees their Miranda rights, not just in the proper language, but in the correct dialect!

Federal officials say that New York City has become the central hub for Chinese criminal operations that extend to Boston, Philadelphia, Dallas, Houston, and Portland. San Francisco and Los Angeles are their West Coast headquarters.

The forthcoming transfer of control of Hong Kong to Communist China in 1997 has spurred a flight from the colony. Among those seeking refuge elsewhere are the Triads, whose destinations of preference are the United States, Canada, and Australia. Some Triad chiefs, known as "dragon heads," are suspected of trying to take advantage of the new visa category that permits immigration by individuals who promise to invest a million dollars in the U.S.

The Wah Ching

The Wah Ching is a one-time street gang that has evolved into a sophisticated organized crime group. With international ties to Hong Kong and Taiwan Triads, its U.S. base of operations is San Francisco, with powerful factions working out of other California cities, including Monterey Park, Los Angeles, and Oakland.

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[4] Ibid.

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Like the Triads, the Wah Ching is engaged in gambling, prostitution, extortion infiltration of businesses, and drug trafficking. They also own myriad legitimate businesses.

Membership in the Wah Ching is growing, thanks in large part to their active recruitment of Viet Ching gang members. "Viet Ching" are gangs made up of youths who are ethnic Chinese from Vietnam.

In his annual report to the legislature, *Organized Crime in California*,[5] the state Attorney General details Wah Ching activities, including their growing involvement in *pai gow* gambling (*pai gow* is a Chinese high-stakes game played with domino tiles). Through the California-based Productions Entertainment Company, they also play a major role in the Chinese entertainment industry, which includes arranging concert tours to the U.S. of Oriental actors, as well as distributing Chinese video cassettes in this country. Overseas tours are controlled by the San Yee On Triad of Hong Kong. Triads control the worldwide distribution of Chinese videos originating in Hong Kong and Taiwan.

The Yakuza

The Yakuza are the Japanese crime syndicates. According to Japan's National Police Agency, they have well over 100,000 members divided among 3,300 "families" and federations. Four years ago, their annual income was estimated to exceed $10 billion. Among Asian criminals today, they rank second only to the Chinese Triads in power.[6]

In the United States, as elsewhere, they are involved in drug smuggling, gunrunning (to Japan), extortion, money laundering, pornography, and prostitution. The California Attorney General warns that they are reinvesting the proceeds from their criminal activities in legitimate businesses throughout this country. The Securities and Exchange Commission, in July 1991, revealed that President George Bush's brother, Prescott, acted as a consultant for companies controlled by Yakuza godfather Susumu Ishii that were interested in buying small American firms (see *Business Week*, July 8, 1991, p. 29).

Over twenty years ago, Yakuza started "casing" the site of

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[5] Ibid.
[6] Ibid.

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Hawaii. As David Kaplan and Alec Dubro observe in their book, *Yakuza: Japan's Criminal Underworld*,[7] "Given the dollar value of Yakuza-related enterprises, Hawaii is becoming dependent on Yakuza investment ...The money is now part of the economic structure of the islands. "It is in Hawaii, perhaps, that the future can best be seen, where a panoply of Eastern and Western gangsters cooperate. "

Caribbean Criminals

Jamaican Posses

According to *U.S. News & World Report*, Jamaican criminals are "probably the most active after the Asians among the newer ethnic gangs." Known as *posses*, they got their start smuggling marijuana into the U.S. They moved into cocaine after discovering the huge profits to be made dealing that product. In many American cities, Jamaicans now dominate the crack market. As Al Lamberti of the Broward (Florida) Sheriff's Department pointed out, "They're moving American blacks off the street comers. And they're ready to use whatever violence is necessary to do the job." James Scott of the Miami-Dade police added, "We've worked with all sorts of ethnic groups involved in the drug trade - Cubans, Colombians, American blacks. But none of these have the weaponry the Jamaicans do."[8]

Over thirty posses have been identified by law enforcement agencies. Some of the bigger gangs, such as the "Spangler" and "Shower" posses, are now involved in the international gunrunning trade.

Many of these Jamaican gangsters are adherents of the Rastafarian religious cult and have been enormously successful, particularly in Brooklyn. Newcomer criminals from Panama have mimicked Rastafarian hair locks and dress as a way of breaking into their drug operations.

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[7] Ibid.

[8] Jamaicans: George Volsky, "Jamaican Drug Gangs Thriving in Big U.S. Cities," *New York Times*, July 19, 1987; Mary Thornton, "U.S. Rounding Up Jamaican Drug Gangs," *The Washington Post*, Oct. 21, 1987; Sharon Cohen (AP writer), "Jamaican gangsters Building U.S. Empire," *Denver Post*, Jan.17, 1988; Eric Harison, "Drug-Dealing 'Posses' Jamaicans; New Faces in U.S. Crime," *Los Angeles Times*, Jan. 3, 1989; Joe Brogan, "Agents playing 'Cat & Mouse' With Jamaican Drug Dealers," *Palm Beach Post*, March 30, 1992.

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Haitians

North America is now home to a Haitian population equalling over one-sixth of Haiti's 6.3 million people. A loosely structured network of Haitian criminals is engaged in drug dealing, car thefts, and armed robbers. A major source of income is prostitution.

In late 1990, as reported in the *Montreal Gazette*, the Montreal, Quebec police broke a notorious cross-border gang that operated in Canada and the United States. Hundreds of Haitians were arrested who had forced into prostitution young Canadian and U.S. women, a number of whom were taken from foster homes. They were subjected to unspeakable treatment. A spokesman for the Haitian community complained that "by targeting a single gang, police risk fueling racist feelings."

It is noteworthy that many of the Haitians who have engaged in crime originally came to the U.S. as refugees, or were recruited by the Quebec Immigration Ministry when it sought to bring in more French-speaking people. On both sides of the border, many Haitian neighborhoods have become violent, crime-ridden slums. French language newspapers have coined a new word to describe the transformation: *se bronxifier* - to become like the Bronx.

Cubans

In the Spring of 1980, Fidel Castro opened the Cuban port of Mariel to those wishing to leave. Among the 125,000 who took advantage of this opportunity to migrate to the United States were thousands of criminals, sex offenders, and mental patients. Police officials and fellow refugees place the number of undesirables at 40,000. The Marielitos brought no records with them. U.S. authorities could not even verify their names.

The Cubans who arrived here in the 1980 boatlift differ dramatically from the first waves of refugees who came over between 1959-1962. The Marielitos were younger, less educated, poorer, included fewer families, and had fewer U.S. ties.

From Miami, Marielito crime has spread across America. According to a report prepared by the Las Vegas Police Departm-ent, "a national conspiracy exists" among Cuban " refugee" criminals. They have specialized in such crimes as airline ticket fraud, credit card fraud, and drug dealing.

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Local police officials from around the country complain that the federal government has done little to aid them in combatting refugee-related crime. For reasons that remain unclear, the Federal Bureau of Investigation does not collect information on refugee crime. As a spokesman for the FBI, Manuel Marquez, said, "It's just not our problem."

Few of the Marielitos who have committed felonies in the United States have been expelled, as federal law mandates. Over the past twelve years, the government has engaged in largely fruitless negotiations with the Cuban dictator, but only a few felons actually have been returned. Castro has made it clear that he doesn't want them back. And, ethnic lobbyists and civil rights activists have created further impediments to deporting anybody to Cuba In the meantime, Cuban criminals detained at U.S. prisons staged destructive uprisings in 1987 and 1991,

The results of a poll conducted by Mason-Dixon Opinion Research should come as no surprise: 77 percent of the non-Hispanic whites and 72 percent of the non-Hispanic blacks said the quality of life in Florida has been hurt by emigration from Cuba. Only 1 percent said they believe Florida has been helped by Cuban emigration.

Other Newer Ethnic Gangs

Russian emigres

Insight magazine reports that, "among the 100,000 Soviet immigrants in the United States, most of whom are Jewish emigres, the so-called 'Russian mafia' has shown a penchant for get-rich schemes and a ready willingness to use extreme violence to Jack up their operations. "

According to the President's Commission on Organized Crime, Soviet authorities took advantage of special emigration rights granted to Jews and, over the past twenty years," included a significant number of criminals who were forced to leave Russia." The Presidential Commission suggested that by means of Jewish emigration, "The Soviet Union attempted to empty their prisons and rid their society of undesirables, much as Fidel Castro did several years later during the Mariel boatlift."

Federal authorities estimate that at least a dozen Russian gangs operate out of the greater New York area, with the Brighton Beach section of Brooklyn serving as their headquarters. Other

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groups are based in Los Angeles, San Francisco, Portland, Dallas, Miami, Chicago, Cleveland, Boston, and Philadelphia.

Their activities include extortion, loan-sharking, counterfeiting, arson, insurance fraud, burglary, murder-for-hire, and cocaine and heroin dealing. Cooperating with the Italian Mafia, they have become increasingly involved in the bootleg gasoline trade. Distributors deliver gasoline to service stations, but fail to pass on the federal excise taxes collected. In November, 1991, a leading Russian emigre gangster, Oleg Yasko, was convicted in California for skimming 40 cents in unpaid taxes on each gallon of gasoline his company delivered to other wholesalers and retail service sections.

In July 1991 , federal authorities broke one of the biggest cases of medical fraud in history, when they arrested the twelve leaders of Michael and David Smushkevichs' emigre ring. Michael traveled around the world with passports from the Soviet Union, Israel, and Mexico. The Smushkevichs used mobile medical clinics to attract patients with promises of free tests, and then billed some 1,4000 insurance companies for over $ 1 billion in phony claims. "It ranks right up with the Drexel Burnham insider stock trading case," said David Smith, head of the Postal Inspection Service in Los Angeles.

The Los Angeles Times reports that "ill-gotten gains in this country are being shipped back home [to Russia] to some of the estimated 5,000 crime syndicates there so they can get an upper hand economically as the once-communist economies move to a free market. " Displaced former members of the KGB are suspected of being involved.

The U.S. Justice Department considers the Russian gangs to be an "emerging crime problem." On April 14, 1992, the newly formed federal task force on Russian emigre crime held its first meeting in Los Angeles. Like other ethnic criminal organizations, Russian gangs have evolved through three major stages: extortion of their own people; expansion into other crimes; and movement into legitimate businesses.

Israelis

Organized crime in Israel reached a peak in the mid-1970s. Vigorous police work encouraged the Israeli crime element to emigrate. Many moved to the United States. In the Northeast,

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Florida, and on the West Coast, Israeli gangs, "comprised mostly of Sephardic Jews born in Arab countries, are increasingly active in the U.S. heroin trade," according to *U.S. News & World Report*.

Los Angeles County sheriff Sherman Block told The *Jerusalem Post* that the potent Israeli mafia has spread across America, graduating from extorting money from poor and elderly Jews - many of them former concentration camp inmates - to major drug dealing and fraud schemes against the wealthy. A veteran Drug Enforcement Administration agent testified, "We have seen Israelis buying heroin in Pakistan, Turkey and Thailand. We are now seeing their ability to interact with other criminal groups, including La Cosa Nostra [and] the Chinese" Peter Moses and Carl Pelleck reported in the *New York Post* that while the Israelis currently deal mainly in heroin, they are now moving into cocaine.

Nigerians

Nigerian citizens, many of whom enter on student visas, are part of an international crime syndicate headquartered in Washington, D.C. and now active across the country. They specialize in huge drug deals and major fraud schemes, and are among the most violent of criminals.

The Nigerians have obtained a growing share of the American heroin trade. Much of the contraband enters the U.S. through Customs via Canada into New York and Michigan. In 1990, one of the biggest heroin bust recorded in the Midwest involved Ojo Adighibe, a Nigerian living in Grand Rapids, Michigan, who had heroin stashed in typewriters shipped to his stateside address from his homeland.

Law enforcement authorities admit that Nigerians are difficult to deal with. They tend to organize locally into small "cells" of five to twelve members, each headed by a boss. Members often are relatives or members of the same tribe - frequently Ibo or Yoruba. They like to cooperate with each other. If apprehended, few will inform on their fellow cell members.

Furthermore, federal authorities do not keep track of foreign "students" to see that they remain registered in school and are attending classes. Nigerian students recruited by criminal gangs will often remain in school, but reduce their course load. Others stop attending altogether. Student visas are issued for up to five

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years and there is no mechanism in place to monitor the holder's compliance with the law.

Nigerians are among the foremost perpetrators of credit card fraud. A California police report on the 'Nigerian mafia' discloses that they are responsible for over $ 1 billion in credit card losses every year. An "African church" in Los Angeles fronts as a training school, where Nigerian immigrants are taught the niceties of this trade. One method used to obtain credit card information illegally is to take employment in hospitals, hotels, post offices, and the mail rooms of corporations and apartments. There they can acquire names, addresses, and social security numbers, which are then used to apply for credit cards or to divert existing accounts by contacting credit card issuers and giving them a new address. Phony letters of credit are also employed to gain access to our financial network.

One ring was broken by Houston, Texas postal authorities in August 1991. Nigerian Ikembe Azikiwe offered letter carriers $3,000 for each MasterCard or Visa 'Goldcard' they turned over, and 50 percent of the value of any large commercial checks they were able to steal. Azikikwe boasted that a friend of his, engaged in the same work in Chicago, was able to steal enough in one week to pay cash for a new Mercedes. The U.S. Postal Inspection Service, in its *Law Enforcement Report*, Fall 1991, pointed out that, "attempted bribery of postal employees is being conducted on relatively large scale basis by criminal elements within the Nigerian community."

Even when they are arrested, many Nigerians, like other felons, are released on bond and then fail to show up for trial. Lawyers representing bonding companies sometimes make up false death certificates, reporting that their client has died and asking for bond release.

The Impact on Three Major States

The impact of the new alien crime wave is being felt nationwide, but is acute in states with large alien populations. And the dollar costs do not adequately reflect the burden on society of additional crime. The administration of justice - including bilingual interpreters and court-appointed attorneys is bogged down by the necessity of dealing with foreign-born criminals.

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California

Michael D. Antonovich of the Board of Supervisors, Los Angeles County, recently stated that "The hard evidence is that criminal aliens

are committing serious crimes." Furthermore, according to a California state Senate report issued on March 23, 1993, "State and local governments in California spend more than $500 million a year to arrest, try and imprison illegal aliens who commit serious crimes,

" The legal costs of dealing with all types of crimes by illegal aliens could run as high as $1.5 billion, according to an estimate included in the report.

" The California Attorney General reports that approximately 16,000 illegal alien felons are incarcerated in state prisons. Every year it costs California taxpayers $350 million to keep these criminal aliens behind bars.

A study commissioned by the San Diego Association of Governments found that one in four jail inmates acknowledged being in this country illegally. Judges estimate that up to 35 percent of the felony cases in Superior Court involve illegals. A 1990 check in felony disposition court discovered that 41 percent of the defendants had immigration "holds " - on completion of sentence, they would be released to the lNS for detention.

As a test, Orange County Superior Court Judge David O Carter invited the INS (Immigration and Naturalization Service) into his courtroom to help identify criminal aliens and develop deportation cases against them. Judge Carter informed the House Judiciary Committee that;

> the results are staggering ... My criminal calendar is 36 percent illegal felons. These statistics would be much higher except the INS does not place holds on illegal felons who have stated the amnesty processor come from countries where the United States is an adversary and has no extradition authority. Vietnam, Cambodia, Iran and Cuba are some of the most obvious countries which will not accept extradited felons.

Orange Police Chief Merrill Duncan disclosed during a press conference in April 1992 that the 12 percent increase in

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crime from the previous year in that city is the result of a "tremendous influx of illegal aliens." He added that, "most crime suspects are illegals."

New York

Twelve percent of the nearly 58,000 inmates in New York's state correctional system are foreign born (either illegal aliens or legally admitted aliens who have committed crimes). The Governor's office report it costs taxpayers $27,@0 per alien, per year, to house these criminals, or about $183 million annually. Nearly half of the foreign-born inmates in New York come from Caribbean nations.

On April 27, 1992, the state of New York filed a suit against the Federal Government, demanding that it start taking custody of thousands of illegal aliens currently incarcerated in state prisons. The suit charges that the Federal Government is responsible for taking charge of these inmates and launching deportation proceedings against them. But too often, the U.S. Justice Department fails to do that. Once convicts serve their terms, the state is forced to simply release them onto the street,where they are often arrested for new crimes.

Texas

In the Texas state prison system, only 4.3 percent of the inmates are foreign-born. But this is because, as *The Dallas Morning News* pointed out in its February 2, 1992 issue, "the state in effect uses municipal and county jails to house some of its prisoners. In the largest jail on the Texas-Mexico border, the county facility at El Paso, the percentage of criminal aliens ranges from 10 to 15 percent of the inmate population. Of the federal inmates in Texas, 36 percent are foreign-born." How extensively aliens are involved in crime throughout the state is difficult to determine, since many jurisdictions, such as Dallas, keep no statistics on the nationality of criminals.

Street Gangs

As "refugee" communities have sprung up across the nation, new efficiently-based youth gangs have emerged. They are heavily involved in the drug trade and are responsible for a growing portion of the violence that wracks America's metropolitan

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areas.

This gang culture belies the media-created image of immigrants as "model citizens." For example, in California, as reported by *The New York Times*,[9] "the simmering ethnic stew pot that is Los Angeles seems to favor youth gang activity. Gangs of almost every nationality flourish: Samoan, Filipino, Salvadoran, Mexican, Korean, Vietnamese. Experts estimate there are about 600 gangs..." Law enforcement officials put the current number of members for these gangs at over 100,000. In nearby Long Beach, a war between Cambodian and Hispanic gangs has been raging for over two years.

Gang activity is no longer limited to the traditional areas of immigrant settlement. As new immigrants have migrated to the Midwest, America's heartland has come to experience the ethnic 'violence that plagues the East and West Coasts, Florida, and the Southwest. In Chicago, the police are doing battle against not only black and Hispanic gangs, but Assyrians, Chinese, Cambodians, Vietnamese, Filipinos, and Greeks.[10]

Symptomatic of the trend, St. Paul, Minnesota law enforcement officials have called for tough measures to combat Asian teen crime in the wake of a rash of major burglaries, including gun shops. Special programs to divert Asian youth from lives of crime have been authorized by the state legislature in an effort to manage the problem.[11]

The western Michigan communities of Holland and Grand Rapids are experiencing a rise in violence attributable to young Asian males. A confidential police memo circulated in 1991 identified several gangs operating locally and regionally, such as "38 Crew," "Oriental Posse," "Crips With an Attitude," and "BBC" (Born Before Christ). Police admit that they have been reluctant to discuss the problem openly. The area has seen a huge increase in its Asian population, "many of them church-sponsored immi-

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[9] Street gangs: "Violent Youth Gangs Frighten Los Angeles and Split the Races," *New York Times*, Feb.8, 1988.

[10] James Dao, "Asian Street Gangs Emerging as Violent New Underworld," *New York Times*, April 1, 1992.

[11] Conrad deFiebre, "Police in St. Paul Fear Rise in Crime Among Asian Youth," *Minneapolis Star Tribune*, December 19, 1991.

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grants," the *Grand Rapids Press* reported.[12]

As bad as the situation is now, the problems created in the U.S. by our new immigrant street gangs are bound to become much worse in the future if corrective measures are not quickly enacted and strictly enforced.

Cross-border Auto Theft

Along our border with Mexico, auto theft has become a multi-billion dollar growth industry. Thieves in California and Texas communities, including some Mexican law enforcement officers, charge several hundred dollars to steal cars and zip across the border to Mexico. Teens are favored as drivers, since they face little more than a mild rebuke if they are arrested.

High-priced luxury cars and off-road vehicles, such as Jeeps and Broncos, are prized. The cars are shipped from Mexico to buyers in Latin America, Europe, and the Middle East. Before the Persian Gulf war, many vehicles were bound for Kuwait.

Because U.S Customs does not check identification of outgoing cars, it is relatively easy for thieves to cross the Mexican border headed south. "It's almost a license to steal," Lt. Bob Samples of the Los Angeles Police Department remarked.

The War on Drugs

The celebrated U.S. "War on Drugs" has been three-pronged: trying to eradicate drugs where they are grown and manufactured, called "going to the source; " a nationwide education effort to discourage drug use by youngsters; stepped up law enforcement. Thus far. the campaign has not been marked by much success. Despite generous increases in foreign aid to countries where cocaine, heroin, and marijuana are produced, production has soared. This is hardly surprising, given that profits generated by the drug trade are far greater than those deriving from other cash crops.

When faced with issues that require decisive action, Americans have come to rely on "education" as the preferred, safe response. While the "Just Say No!" campaign may have heightened

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[12] Kym Shuetz, "Violent Gangs Are Growing Concern in Holland," *Grand Rapids Press*, May 3, 1991; Lisa Perlman, "Youth Crime takes the Bloom Off City Famed for Tulips," *Detroit News & Free Press*, May 2, 1993.

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public awareness, among those elements of the U.S. population most inclined to use drugs, such education has proved to be a remarkable failure. Drug use is actually growing.

Law enforcement agencies nationwide have been overwhelmed by drug-related crime. Court are backlogged for years, to the extent that even with special "drug courts," other pressing cases are delayed for months and even years. Many serious crimes are being plea-bargained away by local prosecutors, and others are not even taken into court. America's jails and prisons are overflowing with inmates convicted of drug-related offenses.

No matter how much apologists for America's promiscuous immigration policy may wish to obfuscate the issue, one cannot separate the illegal drug and immigration problems from one another. Back in 1986, then Attorney General Edwin Meese informed Congress that, "The reality is that immigration is contributing to the drug problem." He pointed out that drug smuggled "get lost in the crowd" of aliens crossing the border and that traffickers regularly use aliens to transport drugs into the U.S.

The international dimension of the drug trade in America highlights the failure of past policies to protect the nation's interests. Federal officials concede that foreign nationals not only are responsible for producing virtually all of the drugs consumed in the U.S., but are in charge of nearly all of the distribution.

Cocaine, and its inexpensive, smokeable derivative, "crack," is produced in the Andes, refined in Colombia and Mexico, and distributed worldwide by Colombian drug lords who cooperate with other foreign nationals, including Panamanians, Nicaraguans, Mexicans, Jamaicans, Dominicans, Haitians, Nigerians, Indians, Pakistanis, and Asians.

Florida remains a major hub for their North American operations. The drug trade has pumped billions of dollars into the Sunshine State's economy. But as Florida, which sits astride the major air and trade routes from South America, has come under increasing surveillance by law enforcement, our porous border with Mexico has become the path favored by foreign suppliers. As one Colombian drug dealer told a Miami-based colleague, "Come to California. It's the promised land."

All along the border, from California through Texas, small communities have sprung up that serve as staging areas for the U S-bound shipments. Mexican burros smuggle drugs across the

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border. As Tom McDermott of the U.S. Customs Service explained, "There are a lot of advantages" to using Mexican routes. "They can stage loads in Mexico with little or no risk, and they have a nice interstate highway system to get to their markets."

The drug trade generates billions of dollars in profits, with an increasing portion being reinvested in the U.S. and used to purchase real estate and legitimate businesses.

Although it is viewed as a "friendly" country by many Americans, Mexico remains among the top sources of heroin and marijuana, and the major supply route for cocaine. Mexico City routinely promises to cooperate with U.S.-sponsored anti-drug efforts. William van Raab, customs chief under President Reagan, is among those who charge that official complicity in the international drug trade reaches high levels of the Mexican government (c.f., Elaine Shannon in *Desperados: Latin Drug Lords. U.S. Lawmen, and the War America Can't Win*.[13] The White House and State Department have been reluctant to highlight the role played by ranking Mexican political figures in the drug commerce.

Cocaine and marijuana are only two of the most popular drugs being smuggled into the U.S. Heroin continues to generate billions of dollars of profit annually. Since President Nixon declared his own "war on drugs" in 1971, the number of heroin addicts in this country has increased by several hundred thousand. In a number of metropolitan areas, nearly three-quarters of urban crime is committed by heroin users. The millions of dollars spent on anti-heroin education have done little to discourage heroin usage. Only the deadly disease AIDS has actually reduced the number of junkies. Dealers have now developed a smokeable version of heroin, which they have already introduced to America.

Like cocaine, the burgeoning heroin trade is dominated by aliens. *The New York Times* reported, "As the Mafia's role declines, the multi-billion-dollar heroin trade is increasingly being conducted by criminal organizations that together sound like a United Nations of drug smugglers, including Chinese, Thais, Pakistanis, Indian, Iranians, Afghans, Nigerians, and Israelis."[14] Robert Stutman, a special agent for the FBI, noted that "these groups are

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[13] Elaine Shannon, NY: Viking, 1989.

[14] James Dao, Asian Street Gangs Emerging as Violent New Underworld," *New York Times*, April 1, 1992.

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posing a major challenge to law enforcement. We now are dealing with languages and cultures that we have no real depth in."

Until the federal government is willing to secure our borders, there is little hope that the "war on drugs" can be won.

Conclusion

The alien-related crime that plagues the United States is one of the consequences of its failure to enact and enforce sensible immigration controls. The problem posed by alien criminals is not new. Since the early days of the Republic, foreign criminal elements have viewed this as a "land of opportunity."

In past years, Americanlegislators passed laws to try to keep criminals out. But its current leaders lack the same will. Few communities in America have gone untouched by alien-related crime. As Prof. James O'Kane of Drew University observes in his new book, *The Crooked Ladder*:[15] (Transaction, 1992):

> Ethnic organized crime among current minority newcomers is flourishing and ever-expanding, with no end in sight .... Police and organized crime task forces scarcely know what to do about these new groups and have their hands full merely trying to describe these activities, let alone control them. With respect to certain groups (e.g. Chinese, Japanese, Vietnamese, and Soviet Jews), police even lack undercover agents who speak the same language as the newcomer criminals!
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> The prognosis for the elimination of ethnic organized crime is indeed grim. Compounding this reality is an equally depressing one: many of the former lower-income ethnic criminals have not necessarily become law-abiding citizens. Many simply have "moved up to white collar crime, and as such, have blended with their dominant groups in American life ... We constantly delude ourselves that ethnic organized crime is "on the way out."

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[15] James M. O'Kane, *The Crooked Ladder: Gangsters, Ethnicity, and the American Dream* (New Brunswick: Transaction Publishers, 1992).

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"Kent State" Revisited

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How should Americans see their past? What meaning should they give to it? Have Americans been monsters, hardly redeemed at all except to the extent they have adopted the outlook and prescriptions of the Left? These are essential questions for America's self-perception, now and in the future; and they are being fought out in the one-sided "cultural war" that has been raging in the United States for over thirty years. What is at stake is nothing less than Americans' children and grandchildren's perception of what America has been and should be.

With regard to issue after issue – such things as the three-century displacement of the Indians, the evacuation of the JapaneseAmericans during World War II, the National Guard's shooting of rioters at Kent State, the Hollywood Blacklist, and countless others – the literature of alienation has created mythological monuments to a "viciousness" that supposedly resides in the hearts of mainstream Americans. On each of these issues, the outpourings of the Left far outnumber the few efforts that are made to analyze those issues objectively; which is to say, without viewing them through the lens of alienated ideology.

America's liberal media culture speaks of the 1980s as a decade of greed and apathy. By way of contrast, it looks back nostalgically to the late 1960s and early '70s as a time of an idealistic activism that confronted "the pure evil of a stupid and vicious 'system.'" ("The system" was one of those years' favorite cliches.) But this is sheer ideology; the very opposite is true. The 1980s were a decade of prosperity and optimism in America; and it is time that Americans remind themselves of just how primitive, barbaric and ugly the atmosphere of the Sixties was. (That atmosphere continued into the early Seventies, and has left residuals that we feel even today.)

Adequately to visualize those years, it is necessary to charge their image with a sense of violent action, much as a Francis Ford

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Coppola or a George Lucas supercharges a movie with a pounding, gripping reality. The spring of 1970 was the highest point in a crescendo of anti-American militancy; of "hippies" opting-out and lying around without shirts or shoes in the hallways of universities; of marches and obscene chants and Dadaistic mockery; of rock-throwing confrontations with police and guardsmen, who were always blamed, at the time and afterwards, as "pigs" and as the true instigators – all accompanied by a spineless apologizing on the part of millions of people who in their "sophistication" did not want to be "judgmental," and by the silence of a majority of loyal Americans who could find no medium to make their feelings known. It was a time when insanity crackled in the air and when treason was met with equivocation.

The first "Earth Day" was observed on April 22, 1970, scarcely a week before the events occurred that we will be tracing at Kent State. It is important to remember that that first Earth Day was not a celebration of a wholesome concern for the environment. Instead, it marked a wildly exaggerated form of the "ecology movement" that cast everything in the rhetoric of apocalypse and revolution. Televized marchers carried coffins symbolizing the impending destruction of human life, and books warned that we had just a short time to live unless we radically overturned the technology of the industrialized world. Others warned that "fascism" was about to take over the United States and that environmental degradation was the result of "the worms of capitalism."

During the four days from October 8 through 11 the preceding fall, the SDS riot called "the Days of Rage" ravaged Chicago. It will be worth noting that of the 284 rioters who were arrested, nine of them – more than from any other university – were from Kent State. (Not only does this cast some light on the Kent State situation; it also illustrates the militants' mobility, since Kent State is in Ohio, quite a distance from Chicago. It tells us, too, how lacking in real spontaneity the riots were.)

What Actually Happened at Kent State

Aftermath of the Cambodian Incursion

On April 30, 1970, President Nixon announced that American troops were on the move into Cambodia, across the

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border from South Vietnam, to clean out the sanctuaries from which Communist forces had long conducted the war. During the days that followed, the anti-Vietnam War movement rose up in furious opposition. There were riots at more than twenty American universities, with serious disruption on 760 campuses. Several hundred universities closed down, cancelling the remainder of the spring semester. The National Guard was called out in Illinois, Maryland, New Mexico, Kentucky and Ohio.

It was in this setting that five days of violence occurred at Kent State University in Kent, Ohio. On the fourth day, national guardsmen briefly opened fire, killing four and wounding nine. Ever since, these events have been known as "Kent State," just as one speaks of "Shiloh" or "Verdun."

A Background of Revolutionary Activism

"Kent State" can hardly be understood without appreciating the extent of the revolutionary activism that had been building a foundation for violence prior to that weekend. Here, somewhat at random, are some of the facts about that activism:

1. The late 1960s and early '70s were marked by a worldwide Marxist-inspired "student revolt." It is a mistake to think that internal American opposition to the Vietnam War was the prime factor. In his book about Kent State, James Michener wrote that "the source of the agitation lies elsewhere...Proof of this can be found by looking at Japan, France and Venezuela. In Japan there is no foreign war and...no draft...The militaryindustrial complex does not exist...[But] the students of Japan are the most fierce of all young radicals, their assaults on society the most determined." He wrote of "the surging disturbances in France, which came close to causing the downfall of De Gaulle," and said that "in Venezuela, students had none of the American causes, none of the Japanese and none of the French, yet their protests were perhaps the most violent of all." He asked, then, "what fundamental reasons have caused this worldwide revolt?" and answered that "it is Marxist-based – Mao Tse-tung, Ho Chi Minh, Che Guevara ...."

2. In 1962, the American radical group "Students for a Democratic Society" (SDS) met at an old CIO summer camp at Port Huron, Michigan, and adopted the "Port Huron Statement" written by Tom Hayden (later the husband of Jane Fonda). This state-

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ment summed up a leftist critique of American society, and served as the manifesto for the decade of activism that followed. It is worth noting that the Port Huron meeting repudiated the policy that many American "liberals" had adopted in 1947 of refusing to collaborate with Communists; instead, Communists were now welcome, and SDS became the focus for leftist radicals of all persuasions. This led to SDS's splitting up into a number of sectarian factions in 1969.

3. During the years that followed, many of the militants travelled to Cuba both for inspiration and to discuss revolutionary methods with Communists from Cuba and North Vietnam.

4. An undercurrent of radicalism had existed in Ohio going back to the labor agitations of the 1880s, and in 1965 this led radical leaders to select Ohio for special emphasis.

5. One of the leading radicals was Bernardine Dohrn, elected interorganizational secretary of SDS in 1968. Later that year, she met with leaders of Vietnam's National Liberation Front (the "Vietcong") in Budapest. She returned to the United States to speak on college campuses, calling for closing the universities down. "A few well-placed bombs," she said, "could stop a lot of the institutions from functioning in this country." She took pleasure in the Manson murders in California: "Dig it, first they killed the pigs, then they ate dinner in the same room with them, then they even shoved a fork into a victim's stomach! Wild!" Dohrn made several visits to Kent State prior to the fateful weekend. Afterwards, she joined the "Weatherman" faction, disappeared into the underground, and was a leader in their program of terrorist dynamiting. Eventually, she fled to Algeria.

6. The SDS had a system of "regional travelers" who moved from place to place, tying together the many strands of militant activism. One of those who visited the Kent SDS was Mark Rudd, who had led the violent shutdown of Columbia University.

7. By 1968, SDS became a significant force at Kent State. The Chicago and Cleveland offices sent organizers, and speakers were invited to keep the militants apprised of events in the French student strike. When Senator Hubert Humphrey spoke on campus, he was met with an organized walk-out.

8. National SDS conducted a "Spring Offensive" in April 1969. As part of this, SDS leaders at Kent State presented a set of

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demands to the University Trustees to abolish ROTC and to close down all war-related research. This led to a confrontation with the Trustees in the Music and Speech Building, at which 58 arrests were made. SDS's campus charter was revoked.

9. The Weatherman faction of SDS established five communes in Ohio. One militant later described these to Michener's interviewers as being "to teach severe discipline...The object was to produce revolutionaries programed to obey orders...You surrendered all personal money, idiosyncrasies and will power, assured that you would come out of the experience with total dedication." This commitment was reflected in the command to "smash monogamy" within the movement, so that there would be no personal ties to serve as a restraining influence. (The effect, however, was to split the communes; but those who stayed emerged as more committed revolutionaries.)

10. By the spring of 1970, six or seven communes existed in Kent, Ohio. One of them was on Ash Street, where inhabitants lived off allowances from home. The seventeen members travelled constantly; Michener points out that they would leave Kent "on a few minutes' notice to speak at Harvard, or Wisconsin, or Michigan, or California." He adds that they attended conferences in Havana and Budapest, and that "some of them know Europe as well as they know Ohio." Another commune, in what had been called "the Haunted House," had been the SDS headquarters for northern Ohio, including Kent State.

11. The connection of the militants to the University as "students" was often contrived. Michener tells how one SDS activist enrolled for a single one-day-a-week course at Kent State so that he could "qualify for full student rights" and "move around campus as he wishes."

12. There had long been a flow of militant activity. In April 1968, Mark Rudd spoke to a campus SDS rally, with a crowd of 1,000. That same year, arsonists burned down Kent State's West Hall. The black militants' campus newspaper ran an article calling for, "if need be, [the] killing of all racist deans, teachers, professors, coaches or university presidents"; and there were constant publications calling for the killing of policemen. In February 1969, a revolutionary film festival was held at Kent State, and an SDS leader threatened to burn down the entire campus. In April 1969 another of its leaders charged through classrooms,

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shouting slogans and waving a Vietcong flag. A large regional meeting of the Ohio and Michigan SDS leadership was held at the Kent Holiday Inn, accompanied by threats to "close the university down." Michener's book includes a photo of a May 6, 1969, "protest meeting" at which a Vietcong flag was held in a place of honor next to the speaker. The president of the Young Socialist Alliance ran everywhere spray-painting radical slogans: "Free Bobby. Free Huey. ROTC Off Campus. Off the Pigs. F--k the Pigs." On April 10, 1970, just three weeks before the "Kent State" weekend, Yippie leader Jerry Rubin urged a crowd of 2,000 gathered on the Kent State commons to "kill your parents." On April 16, a Kent State professor and five KSU students were arrested in Cleveland after assaulting police officers at an AT&T stockholders' meeting. On the final weekend in April, vomit was splattered all over the entrance to the bank in Kent, and the next day the words "End Imperelism" (sic) were painted all across the front of the bank. It was on that weekend that the Kent Fire Chief received intelligence that militants intended to burn down the Kent State ROTC ("Reserve Officer Training Corps") building.

Friday, May 1, 1970

In the early morning of May 1, spray-painted slogans appeared all over town. An organization called WHORE ("World Historians Opposed to Racism and Exploitation") sponsored a rally on the Kent State commons at noon, attended by approximately 500, "to bury the Constitution." At that rally, a radical professor who called himself a "libertarian communist" called for "street action downtown tonight." At 3 p.m., the Black United Students held a meeting at which a delegation of blacks from Ohio State University in Columbus told about the riots that had just shut down that university. About 400 were in attendance at this rally, and black militants stood behind the podium dressed in para-military uniforms, wearing black berets. (The literature about Kent State says that the blacks stayed out of the violence during this and the next four days. Michener says "Field Marshal Perry kept his troops under control.")

Early Friday evening, additional people arrived from Ohio State University with reports that "it was going through hell." Later that evening, shortly after eleven, a riot was started on "the Strip" along North Water Street in Kent. Men wearing red

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armbands (identified by one author as members of a motorcycle gang) gathered trash in the middle of the street andset it on fire. When police responded, "the riot was on," with bottles, cans, beer mugs and glasses smashing against the police cars and knocking out the back window of a passing car. The mob began rocking the car of an elderly couple who were driving through. Trash cans were emptied into the street and set on fire. Some rioters armed themselves with Molotov cocktails. A Vietcong flag appeared. (As I describe these things, it is always worth asking how it happened that such implements as flags, Molotov cocktails, knives, machetes, icepicks, rocks, chunks of wood with nails protruding through them, and large pieces of concrete were so readily available.) A nearby toolshed was set on fire, and a policeman later testified that "the whole street was on fire."

Then the mob moved out of the bar district and toward the center of town, throwing bottles through store windows and chanting obscene chants. Windows were kicked in or smashed with a board. At the bank, five large windows were smashed. A second small wooden building was set ablaze. Policemen were "under a heavy barrage of rocks." A cue ball hit one policeman on the head, sending blood oozing from under his helmet; another was hit in the head by a brick.

On the campus, university police responded to fire and bomb scares, and in the wee hours of Saturday morning a brick was thrown through a window of the campus ROTC building. About 1,000 people were involved in the riot, which surged to the campus about 1 a.m. A militant with a bullhorn shouted "The revolution has begun! Join us! We're going to burn ROTC!" But the crowd dispersed and the ROTC building gained a reprieve for one more day.

Saturday, May 2

Tensions remained high all day Saturday, exacerbated by bomb threats, false fire alarms and rumors of impending violence. A crowd began to gather around the Victory Bell on the Kent State commons as evening fell. A speaker stood on the bell-housing urging students to come out of the dorms. Members of the crowd warned newspapermen who were present that they would be killed if they took pictures. Next, the mob's leaders led it to the dormitories to roust out more students, and then back to the

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commons. As the mob arrived, now 2,000 strong, its members (often euphemistically called "students" or "young men" in the equivocal literature about Kent State) began to throw large rocks at the ROTC building. An empty gasoline can was used as a battering ram to try unsuccessfully to smash in the door; and two railroad flares were thrown at the building, but without catching it on fire. The campus police waited impotently, cloistered in a building 200 yards away. The crowd cheered as an American flag was burned. When someone in the crowd tried to photograph it, he was mobbed with shouts of "kill the bastard," was kicked by a dozen or more people, and was allowed to escape only after the film was taken and exposed. Matches were applied to draperies, and Molotov cocktails and more railroad flares were used to catch the building on fire. Finally, by 8:30 p.m., the ROTC building was burning brightly, with the mob cheering "Burn, baby. Burn!" No effort was made to conceal the supply of Molotov cocktails.

A fire truck arrived a few minutes later. When the firemen attached a hose to a hydrant and began running it to the building, members of the mob grabbed the nozzle and ran off with it. As a second hose was brought out, it was attacked with knives, icepicks and a machete, eventually being cut in half. Members of the crowd, becoming impatient that the building was burning so slowly, soaked rags in gasoline from nearby motorcycles. A fireman tried to stop them from throwing the burning rags into the building, but was knocked down and beaten with a wooden club. This prompted the firemen to withdraw. Just the same, the building wouldn't stay lit, and the fire smoldered out, at least temporarily.

When sheriff's officers arrived to reinforce the campus police, the two used tear gas to drive the crowd from the ROTC area. This caused the arsonists to turn their attention to burning an Athletic Department shed. An adjacent tree burst into flames. During this period, four campus police were injured by rocks.

Part of the mob then headed for the president's house, shouting that they were going to burn it down. They turned back when they saw that highway patrolmen had stationed themselves around the house.

Just then, the ROTC building caught solidly on fire, perhaps aided by additional Molotov cocktails. Ammunition in the building began to go off. When it was almost ten o'clock, the

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National Guard arrived, and was immediately attacked by a shower of stones, glass and bricks. Part of the mob tried to burn the library and then an information booth, but were deflected; others tore up a telephone booth, and built a barracade in the middle of Main Street.

The firemen returned to the ROTC building, but it was too late. A cache of about 1,000 rounds of ammunition started going off, causing everybody to withdraw. It was at this time that a policeman was hit in the head by a large chunk of concrete and eight guardsmen were hurt by rocks and glass thrown at them. The Guard began to use tear gas and to warn of arrests if the crowd didn't disperse. Plate glass windows in nearby Taylor Hall were smashed.

It is worth noting that during all of this no one was shot; indeed, the mob was treated with an almost incredible indulgence. No arrests were made for serious offenses, although a state grand jury indicted some participants later.

During that night, a stolen truck was used to ram and inflict severe damage to six airplanes at the county airport; a trainer was destroyed; and the mobile home that served as the airport office was burned to the ground. An anonymous phone call a few weeks earlier had threatened sabotage to the airport.

Sunday, May 3

Crowds milled around the campus on Sunday, inspecting the burnt-out remains of the ROTC building. The national guardsmen had been ordered by their officers to fraternize with the crowd, seeking to gain rapport. But despite what Michener refers to as a "carnival-like atmosphere," there were many bitter exchanges; "one group of students sidled up to a Guard and muttered, 'We get you tonight, you bastard.'" Meanwhile, twenty-three Kent State faculty members met and approved a proclamation calling upon Ohio's Governor Rhodes to withdraw the troops from the campus. Ten blacks from Akron walked past a group of guardsmen, spitting on them. Michener's interviewers were later told that bags of human feces were thrown at guardsmen from car windows, and that coeds did strip teases in dormitory windows, shouting to the guardsmen that they should make love, not war. In short, it was a day devoted to the Dadaistic mockery that was a hallmark of the New Left.

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Early on Sunday evening, two bottles of gasoline and a rope were found hidden near the campus police headquarters, and five gallons of gasoline were discovered on the roof of the Administration building. A few minutes earlier, a continuous ringing of the Victory Bell was begun, summoning yet another mob. The crowd began chants against the war and against "fascism." The National Guard used a bullhorn to order the crowd to disperse; but instead of breaking up, the crowd remained where it was, shouting obscenities.

At nine o'clock, the crowd's leaders called for a march on the university president's house. As the mob of approximately 3,000 approached its destination, the National Guard stopped it with tear gas. About 200 of the "students" broke off and began a riot along Main Street in the city. Another 700 people began a sit-in in the street at Main and Lincoln. Part of the National Guard lined up near the library, since a threat had been made to burn it down; the rest confronted those holding the sit-in. Helicopters swooped overhead searching for possible snipers on the campus rooftops. Soon, the 700 were joined by what the literature describes as hundreds of additional people, oddly called "casual spectators." The crowd pressed toward the guardsmen, who stood with bayonets pointing toward it.

Militant leaders wore white armbands and crosses on their backs. When three of them asked the Guard for a bullhorn to address the crowd, a Guard sergeant obliged them (in what appears to have been a continuing effort to appear "reasonable"). The bullhorn was then used to read a list of "demands" and to tell the crowd what Michener finds to have been a lie, that the university president and the mayor of the city had agreed to come to the sit-in to hear their demands.

While all of this was going on, the main part of the mob that had stormed to the president's house--now about 2,000 people--was violently confronting a Guard unit that had gone to protect the Air Force ROTC building. Guardsmen used rifle butts and bayonets while attacked with bricks, rocks and bottles. Coeds lifted their dresses to show that they were wearing nothing underneath, and baited the guardsmen with obscenities.

Finally, back at the sit-in, Guard officers announced that force would be used to disperse the sit-in at eleven o'clock. When guardsmen moved forward to enforce this order, members of the

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crowd set up a shout of "Filthy lying bastards," asserting that they had been betrayed by the Guard, since their leaders had told them that the president and mayor were coming. Again, rocks rained down on the guardsmen. From two to seven "students" were bayoneted, although without serious injury, during the melee that followed. A grand jury later commented on "a level of obscenity and vulgarity which we have never before witnessed. The epithets directed at the Guardsmen and members of their families by male and female rioters alike would have been unbelievable had they not been confirmed by the testimony from every quarter and by audio tapes." The "students" were chased up the streets and back to the dorms. It was all over, temporarily, about midnight.

Monday, May 4

During the morning on Monday, fifteen bomb threats kept tensions high on the campus, causing the cancellation of some classes. Even though classes had ostensibly resumed, militant leaders (who were not recognized as people who were enrolled at the university) wouldn't allow the mob action to end; they began to gather a crowd around the Victory Bell at eleven o'clock. Even after a Guard officer ordered the crowd to disperse, the militants began a continuous clanging of the bell, summoning larger numbers. The order to disperse was read again and again from a jeep that moved along the edge of the crowd, but the jeep was pelted with rocks and the crowd, as always, shouted obscenities and yelled "Pigs off campus," waving clenched fists. The scene was marked with Vietcong flags, men in Che Guevara headbands and black suits.

When the Guard began to disperse this new mob with tear gas, the cannisters were thrown back at the guardsmen. Women appeared with bags full of rocks. As the guardsmen moved the crowd up over the hill to the right of Taylor Hall, they were met not only with the rocks, but with chunks of concrete and of wood studded with nails. Several of the "students" kept charging back toward the guardsmen, daring them to retaliate.

One troop of guardsmen went to the left of Taylor Hall to block the mob's coming back to the commons by that route. The others pushed the crowd up over the hill to the right of the building, and then proceeded past an ornamental pagoda and downhill to a practice football field situated at the base of the hill.

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While the guardsmen were assembled there, the crowd stood in large numbers across a small street from the field, and several militants threw rocks from a parking lot near Taylor Hall at the end of the field. Tear gas went off among the guardsmen as the cannisters were thrown back. In an apparent effort at intimidation, a squad of troops assumed a kneeling position, pointing their rifles at those taunting them from the parking lot, but didn't fire.

Shortly after noon, the Guard officers ordered the troops to retrace their steps to return to the commons. As the guardsmen started back up the hill toward the pagoda, the crowd fell in behind, calling cadence in ridicule and throwing rocks, nail-studded golf balls, railroad spikes, and concrete-filled Styrofoam cups. Many of the guardsmen were hit; one went down after being hit in the stomach by a half-brick. The guardsmen continued firing tear gas, and were wearing their gasmasks.

What happened next, as the guardsmen arrived at the pagoda at the top of the hill, is the subject of much dispute, but suddenly the members of Troop G wheeled and fired without taking off their masks. In all, 28 guardsmen fired a total of 55 M-1 rifle rounds and five pistol shots during 13 seconds. Four people in the crowd lay dead or dying, and nine were injured. Many of the shots went down to the parking lot at the base of the hill, rather than the guardsmen's shooting directly into the mass of people on the deck of Taylor Hall a few feet away. Confusion has reigned ever since about whether the mob surged toward the guardsmen an instant before they turned and fired; about whether the fussilade was triggered by a sniper shot; and about whether any of the officers ordered the firing. It would seem to me, however, that the firing was spontaneous, since photos show that the guardsmen didn't remove their gasmasks to increase their accuracy, and one guardsman went into hysterics afterwards for having shot two people. The Left's alienated literature over the years, however, suggests that the shooting was premeditated, perhaps planned by the members of Troop G while they were on the practice field.

Back at the parking lot, a militant dipped a black flag in blood, and the mob attacked a photographer who took his picture. The Guard moved on down past Taylor Hall to the commons, and a long, ugly confrontation occurred while several thousand people stood shouting, some calling for "driving those f--kers right off our

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campus." It appeared as though the mob was going to charge the guardsmen, but long discussions took place with members of the faculty. Eventually the face-off ended, with the crowd sullenly dispersing.

Tuesday, May 5

Arsonists burnt down a Kent State equipment barn at two in the morning on Tuesday. A guardsman shot at the arsonists twice, but missed. Later that morning, the university administration closed the campus for the rest of the spring semester, sending everyone home except the international students. During that same weekend following President Nixon's announcement of the movement into Cambodia, as many as 760 universities underwent disruption, and hundreds closed down.

The Aftermath

In June, a month after the events at Kent State, Jesse Jackson spoke at the Oberlin College graduation. An article by New Left activist Bill Arthrell says that Jackson "implored [the graduates] to emulate Fidel Castro and Mao Tse-tung and use their education to topple the system."

Bernardine Dohrn of the Weatherman faction issued a "declaration of war," and in the months that followed several buildings were dynamited across the country. The most infamous of those dynamitings occurred at the Mathematics Research Institute of the University of Wisconsin.

That fall, an organization called "the Kent Liberation Front" was organized, and on October 16 two thousand people marched to the Kent State Administration Building demanding that the grand jury indictments be dropped and that ROTC be abolished on campus.

Over the summer, Americans waited with baited breathe to see what would happen on campuses generally when the fall semester began. But, instead, a strange quiet prevailed, punctuated primarily by the bombings. The steam had gone out of the mass antiwar movement, and the revolutionary ugliness of the late '60s and the spring of 1970 evaporated. Students of the New Left know that the movement had begun to splinter well before the events we have traced. As the '70s went on, underground factions continued, such as the Symbionese Liberation Front that kipnap-

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ped Patty Hearst, but most of the "Sixties generation" turned inward, steeping itself in a variety of mystic religions. After the incursion into the sanctuaries in Cambodia, the Nixon administration continued the withdrawal of American forces from Vietnam. The splintering of the New Left and the winding down of the war were no doubt major factors in the cooling of mass revolutionary violence, but "Kent State" was the most ostensible turning point.

Those Who Were Killed or Wounded

The American Left immediately made martyrs out of those who were shot. Typically of this, an address delivered at Kent State University on May 3, 1980, by Martin Nurmi, a KSU English professor, spoke of "the killing of the four lovely young people here."

Very few of those shot were "innocent victims" as they've been portrayed, however. While reading the literature that has eulogized them, I've gathered, from a fact mentioned here and another there, enough information about them to show that they were very much involved in the mob action:

Allison Krause (killed). While Krause was still in high school, Krause yelled "F--k you!" and stomped out of her English class after her teacher tried to get her to stop talking in class. At Kent State, she was known as "the pearl of the Weathermen." In October 1969, she collected money for the Student Mobilization Committee, and in November she and her boyfriend hitchhiked to attend the Washington Moratorium. She was part of the crowd when Jerry Rubin spoke on campus in early April 1970. She was a frequent smoker of marijuana, shouted obscenities at the Guard, and carried chunks of concrete and cinderblock in her pockets.

Jeffrey Miller (killed). Miller was part of the mob at the burning of the ROTC building on Saturday night, and again at the street sit-in on Sunday night. He wore an Indian headband, had long hair, was a rock music drummer, had a "stereotypical hippie" girlfriend, and attended classes only sporadically. He, too, attended the Washington Moratorium. On May 4, he was one of those who shouted obscenities at the Guard and threw back tear gas cannisters. There is some dispute about what he was doing right before the guardsmen turned and fired: Capt. Synder of the Guard said that Miller kept charging up the hill taunting the guardsmen with "kill, kill, kill!," and had a pistol on him after he

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was shot; but the existence of the pistol is denied by those on the other side.

Sandra Scheuer (killed). Scheur opposed American involvement in the war, dated a Yippie, and planned to take part in the Sunday night rally but fell asleep and missed it. It was claimed in some reports that she was just going from one class to another when a bullet hit her. (We have to be careful about this, though; the literature, almost all highly sympathetic to the rioters, describes most of those present at all of the riots as simply passive spectators.)

William Schroeder (killed). Although Schroeder was attending college on an ROTC scholarship at college on a scholarship from the ROTC, he actively worked to oppose the war and a few days before he was killed had traveled to Case Western Reserve University in Cleveland to participate in an antiwar rally there. Michener says he rushed to the scene to see the burning of the ROTC building, and "watched the fire with morbid fascination."

Alan Canfora (wounded). Canfora was a member of Marxist SDS before it was banned from the campus; had a conviction for possession of marijuana; and attended the November 1969 "peace march" in Washington. On May 4, he waved a black flag among those who taunted the guardsmen from the parking lot just before the Guard started up toward the pagoda.

Thomas Grace (wounded). Grace joined the SDS in 1969, took part in the Friday night riot, was present at the burning of the ROTC building, and was among those following the guardsmen up the hill when they turned and fired.

Joseph Lewis, Jr. (wounded). Lewis was described as "on the fringes of the crowd" as it pelted the ROTC building with rocks on Saturday night before it was burned down; and then he was pictured as something of a passive spectator as he and his girlfriend followed the mob to the president's house. When he was shot on Monday, he was just 71 feet from the guardsmen, "giving them the finger."

Dean Kahler (wounded). On Sunday night, Kahler was among those who marched on the president's house, and then was part of those who headed into the city, chanting "One, two, three, four, we don't want your f--king war!" He managed to get back in time to take part in the street sit-in, and was one of those who claimed "the Guard lied to us." He was in Monday's crowd on the

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commons, and threw rocks at the guardsmen while they were on the football practice field.

Donald MacKenzie (wounded). He was an active participant in the moratorium marches, "was present" for the Saturday night burning of the ROTC building, and was part of the crowd that headed to the president's house on Sunday night, after which he took part in the street sit-in.

James Russell (wounded). The only mention I have found of Russell tells that he took part in the street sit-in on Sunday night.

Robert Stamps (wounded). Another of those who had attended the "peace march" in Washington, he is reported to have been another of the passive spectators at the burning of the ROTC building.

Doug Wrentmore (wounded). Two weeks earlier, Wentmore was one of those who went to Cleveland to conduct the protest at the AT&T stockholders' meeting. He attended the Black United Students rally at 3 p.m. on Friday, May 1, and was at the Sunday night sit-in (although he was said to have "immediately left"). He held conscientious objector draft status, and after May 4 set up a commune.

Kneeling "coed." Although this person wasn't among those killed or wounded, this young woman is worth mentioning because she appeared in a famous photograph that showed her kneeling over the dead body of Jeffrey Miller. James Michener refers to her as "the coed with the Delacroix face." Her name was Mary Vecchio, and it turns out that she wasn't a coed at all, but a 14-year-old junior high school student who had run away from home in Florida. She was one of the putative "students" in the rock-throwing mob on Friday night; and was among the rock throwers on Monday.

Public's Support for the Guard; Intellectual Culture's Indulgence

A *Newsweek* poll showed that more than 60% of the American people supported the Guard. Michener reported that in Columbus a public-opinion poll showed that 72.2% of Ohio residents supported guardsmen's continuing to use live ammunition when needed. Michener's interviewers found that many of the Kent State students' parents also supported the Guard and were hostile to the rioters.

This was in overwhelming contrast to the reaction by the

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liberal media. Michener says it "cannot be denied" that "the news media were almost universally sympathetic to the dead students...Across the United States college students could identify with the innocent faces and the brief character sketches the newspapers provided."

I have used Michener's book, prepared with the help of a large staff of interviewers, as a source for many of the facts cited in this article, but Michener himself told the story with an amazing equivocation, but with most of his moral conviction on the side of the rioters. He was candid about the connection between the Marxist-inspired student revolts all over the world, and described in detail the organizational efforts of the SDS and within the communes. But it was as if none of that mattered to him; again and again he played down the violence and temporized about its meaning. In his descriptions, the militant who spray- painted obscene slogans became "a word artist"; when a mob stoned the Guard or burned a building, it was as if no one in particular was doing it: Michener would say "someone, somewhere, started...." Rioters were called "boys" or "young men"; glass shattered "musically"; a militant had "a *sudden urge* (sic) to heave a brick through a ROTC window," as though his having a brick in hand required no explanation; the ROTC building's burning down was no real loss because it was an "antique"--and, through it all, Michener was ready to accept the notion that just about everybody was "an innocent bystander."

The Left Makes It a *Cause Celebre*

In 1982, Scott L. Bills wrote that "the annual commemoration of May 4 has been firmly institutionalized at Kent State." An annual candlelight walk and all-night vigil in the parking lot was started on the first anniversary in 1971. Jesse Jackson was the featured speaker at that first memorial program. That program was sponsored by the university, but in the years that followed, a struggle developed over who would control the commemoration – the university, which would eventually tend to be more mainstream, or the far Left, which would use it for revolutionary symbolism. Bills tells of an "alternate" commemoration in 1974, attended by 6,500 people, "which featured Daniel Ellsberg, Jane Fonda, Julian Bond, and Vietnam veteran Ron Kovic as speakers." In October 1975, a "May 4th Task Force" was organized, and this

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succeeded in controlling the event during the years that followed.

In 1977, the university decided to build a gymnasium on some of the ground that the Left considered "sacred." Protestors occupied the first floor of Rockwell Hall, and a "Tent City" was put up at the site to block construction. Various groups took part: the Revolutionary Student Brigade, the Young Socialist Alliance, the Communist Youth Organization, and the Spartacus Youth League. After the university obtained an injunction, 193 people occupying Tent City were arrested.

In February 1981, NBC ran a television movie entitled "Kent State" that presented the leftist perception. In general, the way "Kent State" is pictured in the literature is encapsulated well in a doctoral dissertation written by a certain Miriam R. Jackson, who wrote that "there was something terribly wrong with a society that could kill its own children in 1970 for exercising rights of speech and assembly ...."

The Real Meaning of "Kent State"

If, by contrast, we think about the events without the warping of alienated ideology, several aspects emerge:

1. Far from pursuing a policy of deadly force against mob violence, authorities in Ohio and across the country were committed to just the opposite: they allowed buildings to burn, property to be destroyed, people to be attacked, and soldiers to undergo unbelievable physical and moral abuse with virtual impunity, much as the authorities did during the Los Angeles riots in 1992. When the guardsmen turned and fired on May 4, their action was the exception, not the rule.

2. Those who espouse alienation against American society engage heavily in sophistry, one form of which is to drop the context. They focus on the 13-second fusillade, and speculate endlessly about why the guardsman fired. They would have us forget, or consider irrelevant, the entire five days and all the turmoil elsewhere in the country. This dropping of the context allows them to ignore everything the "students" (rioters) had done, and to argue disingenuously that "no one deserves the death penalty for shouting an obscenity or throwing a rock." It allows them also to transform the "victims" into freshscrubbed innocents.

3. The lawyer who later headed the legal team that represented those who were shot has stated candidly in a book that

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he could not prove that the guardsmen had planned ahead-of-time to turn and fire. But if we were to assume that this unproved supposition were true – that some of the guardsmen decided among themselves to shoot as a way to punish the rioters – , what precisely would that tell us about "American society"? Virtually nothing. Would it justify years of angry "commemorations" and rhetoric about "a society that will kill its own children for exercising rights of speech and assembly"? Certainly not. The Left can build its case for martyrdom only by a demagogic sleight-of-hand by which it extrapolates from the reactions of a few soldiers under great pressure into a basis for generalized alienation.

4. From reading the literature, I haven't been able to come to any definite conclusion about whether the guardsmen were or were not justified in firing when they did (except that two important facts stand out: that they didn't pull off their gas masks to enable themselves to aim carefully; and that they didn't point into the mass of people just to their left, where they would have killed a great many more).

But I do have a strong conviction that soldiers, policemen and fireman should not be expected to perform their duties under conditions of such abuse; and that there is no reason for a free society to subordinate so greatly the interests of law-abiding citizens to those of rioters. In recent years, we have seen televised scenes of "student rioters" in Korea throwing Molotov cocktails that explode at the feet of police who react passively, doing nothing more than scambling to put out the flames on each other's bodies. What precisely is it that has created such a skewing of priorities that this is allowed to happen, either in Korea or the United States?

I surmise that the reason is that society has been induced, through a continuous pressure to absorb the attitudes of the Left, into adopting something of a "criminal ethic" that protects rioters. In much the same way that many people adopt what is really the ethic common to a criminal in-group when they accept the notion that it is "squealing" to report a criminal violation, an ethic has come to be accepted that sees rioters as "innocents" and the police as the "heavies." At least, that is the ethic that permeates the American media. We have seen that polls showed that the public at large did not accept that view of it. But among the articulators of opinion – which is to say, among the media and in academic

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circles – a total moral convolution occurs, turning black into white and white into black: our sympathies, we are told with great passion, are to go to those who are burning and rampaging; our condemnation is to be reserved for those whose job it is to stop them.

There is no reason why this should be so. In a civilized society, freedom is an essential value; but no serious thinker devoted to a free society would equate rioting with "freedom." The actions of the rioters at Kent State were in direct contradiction to the freedom of the people as a whole to maintain a university, to make decisions through orderly democratic processes about such things as whether to have an ROTC program, and to be secure in their persons and property.

5. The enormous trauma that the shootings produced within the antiwar movement and in the media resulted from an abrupt reversal of the self-assured immunity that this skewing of values had created. The rioters thought that Dadaistic mockery and a "carnival atmosphere" of destruction and alienation could go on forever without personal consequences to themselves. Suddenly, four of them lay dead, and the smug game of hating America had taken on a startling new complexion. The committed revolutionaries went underground to do their bombing; but the mass of rioters came from the same stock as the trucklers and equivocators among "liberals" and America's "educated" population, and lost all stomach for a fight that was no longer comfortable and easy. No wonder real revolutionaries have such contempt for the people they use as fodder.

6. There is, however, a broader and perhaps more important point to be made. It is that the Left, by its condemnation of all established authority and its idealization of nihilism, seeks to delegitimatize the existing social order. That is the real point of the martyrdom and the commemorations. The guardsmen aren't seen merely as individuals in a finite setting; they are, instead, symbols of the hated "system."

Enforcement of order is justified if the social order is legitimate; it is rightly condemned if the order is illegitimate. The Left assumes the illegitimacy of American order, and it follows that the efforts of police and guardsmen are insupportable. The revolutionaries' slogans, calling police "Pigs" and "Fascists," are consistent with this logic.

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It is interesting that this has been precisely the view that Marxist-Leninists have taken all over the world since 1917. In their eyes, the revolutionaries have never been the instigators of violence, since they have simply been taking what is their's. The forces supporting the established society have always been accused of "starting the violence," no matter what the provocation. This sounds like sophistry to us, and in large measure it should be counted as sheer propaganda; but it is also the sincere view of the ideologues who hold to the worldview. The debate about "Kent State" – just as about the other *cause celebres* that the Left uses in its assault on Americans' selfperception – is really an argument that tests the depth of the commitment by Americans to their own identity and legitimacy. To the extent they accept without complaint the Left's view of such things as "Kent State," they accept the denial of their own right to exist.

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BOOK REVIEW

Japanese American Ethnicity:
The Persistence of Community
Stephen S. Fugita and David J. O'Brien
University of Washington Press, 1991
ISBN 0-295-97053-7, 207 pp. index, tables.

Japanese-Americans are different in many respects from all the other generations of ethnic groups that have made their way to the United States. Although a few mixed white-Japanese marriages have taken place, on the whole the Japanese have maintained their cohesiveness as an ethnic community.

The earliest Japanese immigrants moved first into agriculture, then into small business, and from then on into all spheres of commercial and professional activity. Some of the *Issei*, or first generation Japanese-Americans preserved a loyalty to the Emperor in particular or Japan in general. Their children, the *Nisei*, or second generation, who lived on the West coast were therefore interned along with their parents during World War II, although those in Hawaii were enlisted in the U.S. Army to fight against the Germans.

The *Sansei* generation exhibits some diminished attachment to their fellow Japanese-Americans, but the authors state that their attachment to their original culture still exceeds that of other immigrant groups. In commerce they are likely to expect and receive extra concessions from their fellow Japanese-Americans and are less likely to be politically independent than members of most other groups. More than other groups they see politics as having an important utility. Therefore, they consider it desirable to belong to one or other of the two leading parties. The Japanese-Americans are described as hard working, quiet, and inclined to be stubborn in their ways and circumspect in making their wants known, so that Caucasians are not always certain of how to deal with them. Nevertheless, the authors assert, the longer they are in America the more they are influenced by American habits, even in such things as an increasing divorce rate among their younger people. *Frederic N. Smith*

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SHOCKLEY ON EUGENICS AND RACE

The Application of Science
to the Solution of Human Problems

By Roger Pearson

Preface by Arthur R. Jensen

CONTENTS

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